

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023  
4

As Engrossed: S2/13/23

# A Bill

HOUSE BILL 1263

5 By: Representative Richmond  
6 By: Senator G. Stubblefield  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING THE SALE AND  
10 REDEMPTION OF TAX-DELINQUENT PROPERTY; TO DECLARE AN  
11 EMERGENCY; AND FOR OTHER PURPOSES.  
12  
13

### Subtitle

15 TO AMEND THE LAW CONCERNING THE SALE AND  
16 REDEMPTION OF TAX-DELINQUENT PROPERTY;  
17 AND TO DECLARE AN EMERGENCY.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
21

22 SECTION 1. Arkansas Code § 26-37-202 is amended to read as follows:  
23 26-37-202. Procedure to sell.

24 ~~(a)(1) Bidders for parcels at a tax delinquent property auction may~~  
25 ~~bid at the sale or may submit their bids to the office of the Commissioner of~~  
26 ~~State Lands by mail or online.~~

27 ~~(2) Bids shall be delivered at the appropriate place or by the~~  
28 ~~appropriate method before the deadline established in the notice of the tax-~~  
29 ~~delinquent property auction.~~

30 ~~(3) The Commissioner of State Lands shall conduct a tax-~~  
31 ~~delinquent property auction under this subsection in person under~~  
32 ~~subdivisions (c)(1) and (2) of this section.~~

33 ~~(4)(A)~~ An individual or entity whose home of record is outside  
34 the United States is prohibited from purchasing a tax-delinquent property  
35 parcel certified to the Commissioner of State Lands.

36 ~~(B)(2)~~ Effective July 1, 2021, in the event it is



1 determined that a tax-delinquent parcel previously certified to the  
2 Commissioner of State Lands has been purchased by an individual or entity  
3 whose home of record is outside the United States:

4 ~~(i)~~(A) The deed shall be cancelled by the  
5 Commissioner of State Lands within three (3) business days of the  
6 determination;

7 ~~(ii)~~(B) Any and all moneys originally paid to the  
8 Commissioner of State Lands for the parcel are immediately forfeited to the  
9 Commissioner of State Lands; and

10 ~~(iii)~~(C) The parcel is immediately considered  
11 certified to the Commissioner of State Lands as tax-delinquent.

12 (b)(1)(A) If at ~~the~~ a scheduled tax-delinquent property auction a  
13 person or entity does not bid at least the amount of delinquent taxes,  
14 penalties, interest, and the costs of the sale, the Commissioner of State  
15 Lands may sell a tax-delinquent ~~land~~ parcel at an unsold-property auction.

16 (B) The Commissioner of State Lands may conduct an unsold-  
17 property auction under subdivision (b)(1)(A) of this section online.

18 (2)(A) If a tax-delinquent ~~land~~ parcel is offered at an unsold-  
19 property auction within the first two (2) years following the tax-delinquent  
20 property auction ~~under subsection (a) of this section~~, the tax-delinquent  
21 ~~land~~ parcel shall be offered for at least the amount of the delinquent taxes,  
22 penalties, interest, and the costs of the sale.

23 (B)(i) If a tax-delinquent ~~land~~ parcel is offered two (2)  
24 years or more following the tax-delinquent property auction ~~under subsection~~  
25 ~~(a) of this section~~, the sale of the tax-delinquent ~~land~~ parcel may be  
26 negotiated at a price the Commissioner of State Lands determines to be in the  
27 best interest of the state and the local taxing units.

28 (ii) The Commissioner of State Lands may conduct a  
29 negotiated-price sale under subdivision (b)(2)(B)(i) of this section online.

30 (3) The Commissioner of State Lands shall submit quarterly  
31 reports to the Legislative Council or, if the General Assembly is in session,  
32 the Joint Budget Committee, listing all tax-delinquent ~~land~~ parcels sold at  
33 an unsold-property auction or a negotiated-price sale under this section.

34 (c)(1) Except as provided in subdivision (c)(2) of this section, when  
35 the Commissioner of State Lands conducts an in-person tax-delinquent property  
36 auction, the in-person tax-delinquent property auction shall take place in

1 the county where the ~~land~~ parcel is located.

2 (2) If the Commissioner of State Lands determines that  
3 sufficient parcels of land located in one (1) county do not exist to justify  
4 an in-person sale in one (1) county, the Commissioner of State Lands may hold  
5 an in-person tax-delinquent property auction in one (1) location and sell  
6 ~~land parcels~~ located in more than one (1) county if the counties are  
7 adjoining counties.

8 (3) Unsold-property auctions and negotiated-price auctions are  
9 exempt from subdivisions (c)(1) and (2) of this section.

10 (d) The auctions under this section shall be conducted on the dates  
11 specified in the notices required by this subchapter.

12 (e)(1)(A) ~~After a sale of the land by the Commissioner of State Lands,~~  
13 ~~regardless of whether the sale occurred at a tax-delinquent property auction,~~  
14 ~~an unsold-property auction, or a negotiated-price sale, If a tax-delinquent~~  
15 parcel is to be offered at an in-person tax-delinquent property auction, then  
16 at least thirty (30) calendar days before the date of the sale the  
17 Commissioner of State Lands shall notify the owner and all interested parties  
18 by regular mail of the right to redeem the ~~land within ten (10) days,~~  
19 ~~excluding Saturdays, Sundays, and legal holidays, after~~ parcel before 4:00  
20 p.m. central standard time (CST) on the last business day before the date of  
21 the sale by paying all taxes, penalties, interest, and costs due, including  
22 the cost of the notice.

23 (B) If a tax-delinquent parcel is offered for sale online  
24 through an unsold-property auction or a negotiated-price sale, when the first  
25 bid is received, the Commissioner of State Lands shall notify the owner and  
26 all interested parties by certified mail of the date of the sale and the  
27 right to redeem the parcel before 4:00 p.m. central standard time (CST) on  
28 the last business day before the date of the sale by paying all taxes,  
29 penalties, interest, and costs due, including the cost of the notice.

30 (2) The notice required under subdivision (e)(1) of this section  
31 shall be sent ~~by regular mail~~ to the owner at his or her last known address,  
32 ~~of the owner~~ as certified by the county, and all interested parties.

33 (3)(A) ~~If the land~~ a parcel subject to subdivision (e)(1)(A) of  
34 this section is not redeemed by the deadline stated in subdivision (e)(1)(A)  
35 of this section, the parcel shall be offered for sale at an in-person tax-  
36 delinquent auction, and if sold, a limited warranty deed shall be issued by

1 the Commissioner of State Lands to the purchaser.

2 (B) If a parcel subject to subdivision (e)(1)(B) of this  
3 section is not redeemed by the deadline stated in subdivision (e)(1)(B) of  
4 this section, upon sale of the parcel, the Commissioner of State Lands shall  
5 issue a limited warranty deed to the purchaser.

6 (f) Payment to redeem a tax-delinquent parcel under this section shall  
7 be made by certified funds, including without limitation, cash, a credit  
8 card, debit card, electronic check, escrow check, money order, cashier's  
9 check, or certified bank check.

10 (g) As used in this section:

11 (1) "Business day" means a Monday, Tuesday, Wednesday, Thursday,  
12 or Friday that is not otherwise observed as an official state holiday; and

13 (2) "owner Owner" and "interested party" have the same meaning  
14 as in § 26-37-301.

15 ~~(g)~~(h) The Commissioner of State Lands shall promulgate rules to carry  
16 out the provisions of this section.

17  
18 SECTION 2. Arkansas Code § 26-37-302 is amended to read as follows:  
19 26-37-302. Payment required.

20 (a) To redeem a tax-delinquent ~~land~~ parcel with the county collector  
21 or the Commissioner of State Lands ~~and~~ or to purchase a tax-delinquent ~~land~~  
22 parcel at the Commissioner of State Lands' sale, the redeemer or purchaser of  
23 the tax-delinquent ~~land~~ parcel shall pay all delinquent taxes, plus:

24 (1) Ten percent (10%) simple interest for each year of  
25 delinquency;

26 (2) A ten percent (10%) penalty for each year of the  
27 delinquency; and

28 (3) The costs incurred by the county and the Commissioner of  
29 State Lands.

30 (b) The penalties and interest shall accrue beginning on October 16 in  
31 the year of delinquency.

32 (c) Payment to redeem a tax-delinquent ~~land~~ parcel under this section  
33 shall be made by cash or certified funds, including without limitation a  
34 credit card, debit card, electronic check, escrow check, money order,  
35 cashier's check, or certified bank check if the redemption occurs:

36 (1) Within thirty (30) days before the date of the scheduled

1 ~~sale tax-delinquent property auction; or~~

2 (2) ~~During the redemption period following the sale~~ Within  
3 thirty (30) days before the sale date of the tax-delinquent parcel under bid  
4 in an unsold-property auction.

5 (d) The Commissioner of State Lands may approve additional forms of  
6 payment by promulgation of rule.

8 SECTION 3. Arkansas Code § 26-37-310 is amended to read as follows:

9 26-37-310. Procedure for redeeming land certified to state -

10 Definition.

11 (a) All ~~lands~~ parcels forfeited to the state for nonpayment of taxes  
12 may, until disposed of by the state, be redeemed under this section.

13 (b) To request redemption under subsection (a) of this section, a  
14 person shall submit the following to the Commissioner of State Lands:

15 (1)(A) An executed petition with a verified signature to redeem  
16 the ~~property~~ parcel in a form prescribed by the Commissioner of State Lands.

17 (B) The Commissioner of State Lands shall make the  
18 petition form available upon request;

19 (2) Payment in an amount equal to the total of outstanding  
20 taxes, penalties, interest, fees, and costs owed at the time the petition is  
21 received by the Commissioner of State Lands; and

22 (3) Any additional documentation requested by the Commissioner  
23 of State Lands.

24 (c) The total amount due under subdivision (b)(2) of this section  
25 shall not be raised or lowered for thirty (30) days after the date the  
26 redemption under subsection (a) of this section is requested, unless:

27 (1) The ~~property~~ parcel has been sold;

28 (2) The records have been amended by a county; or

29 (3) The actual costs, fees, and taxes are added to the total  
30 amount due.

31 (d) An updated petition to redeem shall be provided to the  
32 Commissioner of State Lands, if the date of the submission of the petition to  
33 redeem has expired or additional costs, fees, and taxes have accrued.

34 (e)(1) Petitions and payment in full received by the Commissioner of  
35 State Lands for in-person tax-delinquent property auctions at least thirty  
36 (30) days before ~~and no later than ten (10) days following~~ the sale date

1 shall be made in cash, certified funds, or as provided in § 26-37-302.

2 (2) Petitions and payment in full received by the Commissioner  
3 of State Lands for unsold-property auctions and negotiated-price sales within  
4 thirty (30) days before 4:00 p.m. central standard time (CST) on the business  
5 day before the published sale date shall be made in cash, certified funds, or  
6 as provided in § 26-37-302.

7 (f)(1) Upon redemption, ~~a redemption deed will be issued by the~~  
8 Commissioner of State Lands shall issue a redemption deed to the owner or a  
9 redemption receipt to the person who paid the taxes if the person who paid  
10 the taxes is not the owner.

11 (2) The deed shall be forwarded to the circuit clerk of the  
12 county in which the ~~land or lot~~ parcel conveyed by the deed is situated, to  
13 be filed of record.

14 (3)(A) The Commissioner of State Lands may establish by rule a  
15 fee for producing a redemption deed.

16 (B)(i) A fee under this subsection shall not be  
17 established in an amount that exceeds the costs expended by the Commissioner  
18 of State Lands in producing or filing the redemption deed or performing the  
19 services required to carry out the established duties of the office of the  
20 Commissioner of State Lands.

21 (ii) As used in subdivision (f)(3)(B)(i) of this  
22 section, "costs" means the actual costs expended by the Commissioner of State  
23 Lands plus three percent (3%) of the actual costs expended by the  
24 Commissioner of State Lands.

25 (g) The redemption deed shall serve as proof that payment has been  
26 received by the Commissioner of State Lands, in accordance with the  
27 provisions of § 26-37-302, and does not convey or change the legal ownership  
28 to the ~~property~~ parcel redeemed.

29 (h) Upon receipt of the redemption deed, the county collector shall  
30 extend on the tax book against the ~~land or lot~~ parcel the taxes other than  
31 state and county for the years that the taxes have not been paid since the  
32 sale of the ~~land or lot~~ parcel to the state, and these taxes shall be charged  
33 and collected as other taxes.

34 (i) The proceeds of all redemptions of forfeited ~~lands~~ parcels shall  
35 be divided between the county where the ~~lands~~ parcels are situated and the  
36 state, as set forth in § 26-37-205, and paid over in the manner as required

1 and provided in this section.

2 (j) As used in this section, "business day" means a Monday, Tuesday,  
3 Wednesday, Thursday, or Friday that is not otherwise observed as an official  
4 state holiday.

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6 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the  
7 General Assembly of the State of Arkansas that the efficient management of  
8 tax-delinquent property in Arkansas is of utmost importance to school  
9 districts and local communities; and that this act is immediately necessary  
10 because proper funding of education, roads, hospitals, libraries, public  
11 safety, and the general operation of county and city governments are some of  
12 the most important responsibilities of the General Assembly. Therefore, an  
13 emergency is declared to exist, and this act being immediately necessary for  
14 the preservation of the public peace, health, and safety shall become  
15 effective on:

16 (1) The date of its approval by the Governor;

17 (2) If the bill is neither approved nor vetoed by the Governor,  
18 the expiration of the period of time during which the Governor may veto the  
19 bill; or

20 (3) If the bill is vetoed by the Governor and the veto is  
21 overridden, the date the last house overrides the veto.

22  
23 */s/Richmond*

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26 **APPROVED: 3/9/23**