

A.C.A. § 14-92-604 **Proposed**

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Copy Citation

Current through all laws of the 2018 Fiscal Session and 2018 Second Extraordinary Session, including changes and corrections by the Arkansas Code Revision Commission.

- **Arkansas Code Annotated**
- **Title 14 Local Government**
- **Subtitle 5. Improvement Districts Generally**
- **Chapter 92 Suburban Improvement Districts**
- **Subchapter 6—Collection of Taxes**

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14-9492-122604. Payment of taxes -- Enforcement.

(a) Payment. All taxes levied under the terms of this chapter shall be payable in installments at the same time as county, city, and school district taxes are paid on or before October 15 of each year.

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(b) Delinquencies.

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(1) If any taxes levied by the board under this chapter are not paid at maturity, the county tax collector shall not embrace the taxes in the taxes for which he shall sell the lands, but shall report the delinquencies to the board of the district, which shall add to the amount of the tax a penalty of twenty-five percent (25%).

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(2) The board shall enforce the collection by chancery proceedings in the chancery court of the county in which the lands are situated having chancery jurisdiction. The court shall give judgment against the lands for the amount of the delinquent taxes, and the penalty of twenty-five percent (25%) and interest thereon, from the end of the sixty (60) days allowed for the collection thereof, at the rate of six percent (6%) per annum, and all costs of the proceedings.

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(3) The judgments shall provide for the sale of the delinquent lands for cash by a commissioner of the court, after advertisement as set out in subsection (c) of this section.

(4) Proceedings and judgment shall be in the nature of proceedings in rem.

(5)

(A) It shall be immaterial that the ownership of the lands be incorrectly alleged in the proceedings.

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(B) Judgment shall be enforced wholly against the lands and not against any other property or estate of the defendant.

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(6) All or any part of the delinquent lands for each of the counties may be included in one (1) suit for each county, instituted for the collection of the delinquent taxes, etc., as aforesaid.

(c) Notice of Proceedings for Collection of Taxes. Notice of the pendency of the suit shall be given by publication weekly for four (4) weeks before judgment is entered for the sale of the lands in some newspaper published in the county where the suits may be pending, which public notice may be in the following terms:

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“Board of Commissioners, Municipal Property

Owners’ Suburban Improvement District

vs.

Delinquent Lands

All persons having or claiming an interest in any of the following described lands, are hereby notified that suit is pending in the Chancery Court of _____ County, Arkansas, to enforce the collection of certain municipal property owners’ suburban improvement district taxes on the subjoined list of lands, each supposed owner having been set opposite his or her or its lands, together with the amounts severally due from each, to wit:”

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(Then shall follow a list of supposed owners, with a descriptive list of said delinquent lands, and amounts due thereon respectively as aforesaid), and said public notice may conclude in the following form:

“All persons and corporations interested in said lands are hereby notified that they are required by law to appear within four (4) weeks and make defense to said suit, or the same will be taken for confessed, and final judgment will be entered directing the sale of said lands for the purpose of collecting said taxes, together with the payment of interest, penalty, and costs allowed by law.

Clerk of Said Court.”

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(d) Trial Date -- Suit by Bondholder. (1) (A) The suit shall stand for trial at the first term of court after the complaint may be filed, if four (4) weeks shall expire either before the first day of the term, or during the term of court to which the suits are brought respectively, unless a continuance is granted for good cause shown, within the discretion of the court.

(B) The continuance, for good cause shown, may be granted as to a part of the lands or defendants without affecting the duty of the court to dispose finally of the others as to whom no continuance may be granted.

(2) In case the commissioners shall fail to commence suit within sixty (60) days after the taxes become delinquent, the holder of any bond issued by the district or any trustee on behalf of the holder of any bond issued by the district shall have the right to bring suit for the collection of the delinquent assessments, and the proceedings in the suit brought by the bondholder or trustee shall in all respects be governed by the provisions applicable to suits by the commissioners.

(e) Trial Procedure.

(1) Suits for collection shall be conducted in the name of the municipal property owners’ suburban improvement district, and in accordance with the practice and proceedings of chancery courts in this state, except as otherwise provided in this chapter, and neither attorneys ad litem, nor guardians ad litem, nor any of the provisions of § 16-65-403 [repealed] shall be required.

(2) The suits may be disposed of on oral testimony, as in ordinary suits at law.

(3) This law shall be liberally construed to give to the assessment and tax lists the effect of bona fide mortgage for a valuable consideration, and a first lien upon the lands, as against all persons having an interest therein.

(4) In such suits, it shall be sufficient to allege generally and briefly the organization of the district and the nonpayment of the taxes, setting forth the description of the lands proceeded against, and the amount chargeable to each tract, with prayer for foreclosure.

(5) No informality or irregularity in holding any of the meetings provided for herein, in valuation, in assessment of the lands, or in the name of the owners, or the number of acres therein shall be a valid defense to the action.

(f) **Sale of Land. (1) (A)** In all cases where notice has been properly given and where no answer has been filed or, if filed, and the cause decided for the plaintiff, the court, by its decree, shall grant the relief as prayed for in the complaint.

(B)

(i) The court shall direct the commissioner to sell the lands described in the complaint at the courthouse door of the county wherein the decree is entered, at public outcry, to the highest and best bidder, for cash in hand, after having first advertised the sale weekly for two (2) weeks, consecutively, in some newspaper having a general circulation in the county.

(ii) The advertisement may include all the lands described in the decree.

(2) If all the lands are not sold on the day as advertised, the sale shall continue from day to day until completed.

(3) The commissioner shall by proper deeds convey to the purchaser the lands so sold. The title to the lands shall thereupon become vested in the purchaser as against all others whomsoever.

(g)

(1) In any case where the lands are offered for sale by the commissioner, as provided by this subchapter, and the sum of the delinquent tax due, together with interest, cost, and penalty, is not bid for the lands, the commissioner shall bid the lands off in the name of the board of directors ~~commissioners~~ of the ~~municipal property owners'~~suburban improvement district, bidding therefor the whole amount due as aforesaid.

(2)

(A) The commissioner shall execute his deed conveying the land to the ~~municipal property owners'~~suburban improvement district board.

(B) No report of sale other than the execution of the deed and its submission to the court for approval and no confirmation other than approval of the deed need be made in any such case, and a deed to the land executed by the commissioner, approved by the court and recorded, shall be conclusively presumed to be in consideration of the total amount rightfully due to the district whether that amount is stated or whether it is stated correctly or incorrectly in the deed.

(3) The deeds, together with other deeds as are duly executed in conformity to the provisions of this subchapter and recorded, shall be received as evidence in all cases showing an indefeasible title in the district, unassailable in either law or equity.

(h)

(A) No provision contained herein shall relieve any purchasers of lands, excluding the district, from the obligation to pay all future taxes levied under the terms of this chapter following the enforcement of these foreclosure procedures.

(B) The obligation to pay all future taxes shall also extend to any purchaser of lands who purchases such lands from the district following the district's obtaining of the land pursuant to subsection (g) of this section.

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(i) Attorney's Fees. In all suits brought for collection of delinquent taxes under this subchapter, a reasonable attorney's fee shall be taxed in favor of the attorney for the plaintiff, which fee shall be added to the amount of the cost.

(j) Redemption.

(1) At any time within thirty (30) days after the rendition of the final decree of the chancery court provided for in this subchapter, the owner of the lands may file his petition in the court rendering the decree, alleging the payment of taxes on the land for the year for which they were sold and payment of all costs associated with the enforcement of the provisions of this chapter, including attorney's fees.

(2) Upon the establishment of that fact, the court shall vacate and set aside that decree, provided that any landowner shall have the right within thirty (30) days after the day upon which lands are offered for sale to redeem any and all lands sold at the sale.

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History

Acts 1987, No. 113, § 14; 1991, No. 027, § 4.

Arkansas Code of 1987 Annotated Official Edition
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Notes:

1. All text in this section was taken (with only minor changes) from 14-94-122. This is the section referred to in 14-92-232 Payment of Taxes – Enforcement, which is used by all suburban improvement districts that do not collect their own delinquent taxes. The effect of this change will reduce the redemption period for foreclosed properties from 2 years to 30 days for those suburban improvement districts collecting their own delinquent taxes under this subchapter, and make the redemption period to be the same as is the law for all other suburban improvement districts.
2. By including the full text of 14-94-122 in this section, rather than a referral to another section of code that is not even included in the Suburban Improvement Districts Chapter, districts affected by this code will be aware of its contents and alerted when it is changed.
3. The due date for district taxes specified in paragraph (b) was changed to be consistent with 14-92-602 (October 15).
4. The “form” referred to in the Lexis Nexis version was brought into this document from the 2017 Justia version, since it could not be brought up within Lexis Nexis. As evidenced, it required a couple of changes.

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