

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
AGENCY PROGRAM COMMENTARY
2003 - 2005

The Commissioner of State Lands office is responsible for the disposition of tax delinquent real property that has been forfeited to the state from the counties following the timetable prescribed in the statutes. After the land has been forfeited to the state, this office has the responsibility to contact the owner and any known interested parties by certified mail to give notice that the property is delinquent and that unless it is redeemed it will be offered for sale at a public auction. If property remains delinquent following its two-year stay at this office, it is offered for sale; however, the object of the program is to get the taxes collected prior to holding a sale. The approach has been very successful since 1985 and the implementation of Act 626 of 1983, as the office has collected over \$110 million, from the redemption and sale of tax forfeited property, with less than 15% of that total coming from the actual sale of property.

Due to a fairly recent change in the law, property is currently held at the county for one year rather than two years before being forfeited to the State for collection. This change has had a dramatic effect on the number of parcels received by this office.

Year Certification Received	Tax Year Covered by Certification	Total Number of Parcels Received
1995	1991	10,331
1996	1992	9,038
1997*	1993	9,650
1997*	1994	13,775
1998	1995	14,541
1999	1996	17,219
2000	1997	18,302
2001	1998	17,472
2002	1999	18,202
2003**	2000	18,700
2004**	2001	19,500

*Received two years certifications during one calendar year to comply with law change

**Projected receipts

We are now receiving each year almost twice as many parcels as we did 10 years ago. While the \$300 real property tax exemption will play somewhat of a role in lowering the number of parcels received, we believe that the net effect will be less than a 10% reduction, and the net result will be a slower increase, but an increase nevertheless. This necessitates increases in all the costs that are incurred prior to sale, i.e., postage, limited title searches, increased travel costs, printing costs, publication of notices, etc.

AGENCY Commissioner of State Lands	DIRECTOR Charlie Daniels 	AGENCY PROGRAM COMMENTARY	PAGE 319
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All the requested increases in maintenance and operating costs will come from cash funds that are generated by the land office from fees, and penalties collected from the sale and redemption of tax delinquent lands and from interest earned on funds held in escrow.

We are not requesting any additional M&O from general revenue tax dollars.

During the 2001 Legislative session, the State Land Survey Division was transferred in its entirety to the Commissioner of State Lands office. Because the Land Office budget had already become law at the time of the transfer, the Survey office appropriations were passed into law separately from the Land Office. This budget requests combines and integrates those two budgets. There are extraordinary increases in salary requested for all positions transferred by the Survey Division. We are requesting increases for the State Land Surveyor and the Land Remonumentation Coordinator because both positions require a licensed surveyor. We have only been able to fill the Land Remonumentation Coordinator with a retired, part time person because of the salary we are able to offer. The State Land Surveyor's position has not received a personnel evaluation in over 10 years and is out of line with industry and professional guidelines. The raises indicated for the Executive Secretary and Land Records Custodian bring those positions into line with the salary structure in the other State Land Office positions. One of the Land Records Custodian positions was upgraded to a Research Analyst level, which we think will be necessary to attract personnel with the skills to deal with the advancing technology in electronically filing land survey plats and working with the federal government for geodetic coordination of our surveys.

We will be entering into a contract with the United States Oceanic and Atmospheric Administration (NOAA), National Geodetic Survey by which they will furnish a full time employee to coordinate the activities of the USNGS with our State Land Survey Division. We are required to pay approximately half salary and benefits for this person, which is contracted to be \$49,600 for 2003, \$51,100 for 2004, and \$52,650 for 2005, and provide office space and supplies as the State's portion of the project. The long range benefits of the project are very exciting. It will modernize the National Spatial Reference System and meet the National Spatial Data Infrastructure needs throughout the state. The money for this project will not require general revenue funds, but will come from cash funds generated by the Commissioner of State Lands office.

The balance of the positions reflect a 2.7% increase for each year of the biennium.

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DIVISION OF LEGISLATIVE AUDIT
AUDIT OF:
ARKANSAS STATE LAND DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2001

Findings

None

Recommendations

None

SA0406101

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
 EMPLOYMENT SUMMARY
 Required by: A.C.A. 19-4-307

AGENCY TITLE: 0061 Commissioner of State Lands

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>14</u>	<u>29</u>	<u>43</u>	<u>90%</u>
BLACK EMPLOYEES	<u>2</u>	<u>3</u>	<u>5</u>	<u>10%</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EMPLOYED AS OF			<u>5</u>	<u>10%</u>
DATE			<u>5</u>	<u>10%</u>
			TOTAL MINORITIES	
			<u>48</u>	<u>100%</u>
			TOTAL EMPLOYEES	

Charles Daniel
 AGENCY DIRECTOR

**CASH FUND BALANCE DESCRIPTION
AS OF JUNE 30, 2002**

AGENCY: Commissioner of State Lands (061)

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
117	\$4,936,000.00	Checking	US Bank, Little Rock	<p>Funds are collected through redemption and sale of tax delinquent lands. Tax amounts are returned to counties where properties are located, along with interest money collected and county costs. Penalty and costs are retained by the Commissioner of State Lands to fund on-going operations of his office.</p> <p>STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES: Commissioner of State Lands deposits fees, penalties, etc. into cash funds, retained by the Commissioner of State Lands to fund on-going operations of his office.</p> <p>REVENUE RECEIPTS CYCLE:</p> <p>FUND BALANCE UTILIZATION: Fund balances are maintained to utilize as pass-through mechanism to return taxes to counties, payment of recording fees, return excess proceeds of land sales to former owners, ongoing expenses of the office, etc.</p>
	500,000.00	CD	Amity Chambers Bank	
	500,000.00	CD	Augusta, Bank of	
	500,000.00	CD	Benton Union Bank	
	500,000.00	CD	Benton Union Bank	
	500,000.00	CD	Bank of Brinkley	
	500,000.00	CD	Bryant Union Bank	
	500,000.00	CD	Conway First Community Bank	
	500,000.00	CD	Conway First Community Bank	
	500,000.00	CD	Conway First State Bank	
	500,000.00	CD	El Dorado First Financial Bank	
	500,000.00	CD	Heber Springs State Bank	
	500,000.00	CD	Helena National Bank	
	500,000.00	CD	Little Rock Bank of the Ozarks	
	500,000.00	CD	Little Rock, The Bank of	
	500,000.00	CD	US Bank of Little Rock	
	500,000.00	CD	Little Rock Metropolitan Bank	
ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
117	500,000.00	CD	Little Rock One Bank & Trust	<p>STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:</p> <p>REVENUE RECEIPTS CYCLE:</p> <p>FUND BALANCE UTILIZATION:</p>
continued	500,000.00	CD	Little Rock Regions Bank	
	500,000.00	CD	Little Rock Regions Bank	
	500,000.00	CD	Little Rock Simmons Bank	
	500,000.00	CD	Magnolia Farmers Bank & Trust	
	500,000.00	CD	Malvern, Summit Bank of	
	500,000.00	CD	North Little Rock Arvest Bank	
	500,000.00	CD	North Little Rock Twin City Bank	
	500,000.00	CD	North Little Rock Twin City Bank	
	500,000.00	CD	Chart Bank of Perryville	
	500,000.00	CD	Pine Bluff Simmons Bank	
	500,000.00	CD	The Bank of Salem	
	500,000.00	CD	The Bank of Rogers	
	500,000.00	CD	Searcy First Security Bank	
	500,000.00	CD	Sheridan Peoples Bank	
	500,000.00	CD	Texarkana Regions Bank	

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ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

STATE AGENCY PUBLICATIONS

Fiscal Year 2002-2003

Required by: A.C.A. 25-1-204

AGENCY: Commissioner of State Lands

AGENCY# 061

NAME OF PUBLICATION	STATUTORY AUTHORIZATION ACT # OR A.C.A.	REQUIRED FOR GOVERNOR AND/OR GENERAL ASSEMBLY ONLY	NUMBER OF COPIES PUBLISHED & DISTRIBUTED	REASON(S) FOR CONTINUED PUBLICATION AND DISTRIBUTION
N/A				
				323

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Department Appropriation Summary

Agency Name COMMISSIONER OF STATE LANDS
 Agency Code 061

Appropriation Code	Expenditures				Biennial Request				Executive Recommendation			
	2001-02 Actual	No. of Pos.	2002-03 Budgeted	No. of Pos.	2003-04 Total	No. of Pos.	2004-05 Total	No. of Pos.	2003-04 Total	No. of Pos.	2004-05 Total	No. of Pos.
A14 Operating Exp./Capital	221,714	0	267,800	0	275,950	0	288,850	0	NO EXECUTIVE RECOMMENDATION MADE ON THESE APPROPRIATIONS			
A35 Land Survey- Cash	97,581	0	150,000	0	0	0	0	0				
B28 Delinquent Tax- Cash	11,672,320	0	15,031,000	0	16,253,600	0	17,039,425	0				
006 Land Operations	1,976,114	43	2,478,577	43	2,881,301	48	2,949,913	48				
084 Severed Resources	5,645	0	15,000	0	15,000	0	15,000	0				
168 Land Survey Division	185,466	5	251,887	5	0	0	0	0				
Grand Total	14,158,840	48	18,194,264	48	19,425,851	48	20,293,188	48				

Funding Sources		% of Total		% of Total		% of Total						
Fund Balances												
General Revenues	185,466	1.00	251,887	1.00	0	0.00	0	0.00				
Federal Funds												
Special Revenues	5,645	0.00	15,000	0.00	15,000	0.00	15,000	0.00				
State Central Services	1,976,114	14.00	2,478,577	14.00	2,881,301	15.00	2,949,913	15.00				
Non-Revenue Receipts												
Cash Funds	11,991,615	85.00	15,448,800	85.00	16,529,550	85.00	17,328,275	85.00				
Trust Funds												
Constitutional Officers Fund												
Other												
Total Funding	14,158,840	100.00	18,194,264	100.00	19,425,851	100.00	20,293,188	100.00				
Excess Appr./(Funding)	0		0		0		0					
Grand Total	14,158,840		18,194,264		19,425,851		20,293,188					

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency 061 COMMISSIONER OF STATE LANDS
 Appropriation A14 OPERATING EXPENSES/CAPITAL OUTLAY
 Fund 117 LAND - CAPITAL OUTLAY

Character Title	Expenditures			Request		Recommendations	
	2001-02 Actual	2002-03 Budgeted	2002-03 Authorized	2003-04 Total	2004-05 Total	Legislative 2003-04	2004-05
Operating Expenses	24,519	67,800	67,800	53,950	58,850		
Capital Outlay	197,195	200,000	200,000	222,000	230,000		
Grand Total	221,714	267,800	267,800	275,950	288,850		

Funding Sources							
Fund Balances			*****				
General Revenues			*****				
Federal Funds			*****				
Special Revenues			*****				
State Central Services			*****				
Non-Revenue Receipts			*****				
Cash Funds	221,714	267,800	*****	275,950	288,850		
Trust Funds			*****				
Const. Officers Fund			*****				
Other			*****				
Total Funding			*****				
Excess Appro./(Funding)			*****				
Grand Total	221,714	267,800	*****	275,950	288,850		

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency 061 COMMISSIONER OF STATE LANDS
 Appropriation A35 LAND SURVEY DIVISION- CASH
 Fund 117 LAND SURVEY- CASH

Character Title	Expenditures			Request		Recommendations	
	2001-02 Actual	2002-03 Budgeted	2002-03 Authorized	2003-04 Total	2004-05 Total	Legislative	
						2003-04	2004-05
Operating Expenses	97,581	150,000	150,000	0	0		
Grand Total	97,581	150,000	150,000	0	0		

THIS APPROPRIATION IS BEING COMBINED WITH B28- LAND CASH OPERATIONS

Funding Sources							
Fund Balances			*****				
General Revenues			*****				
Federal Funds			*****				
Special Revenues			*****				
St. Central Svcs. Fund			*****				
Non-Revenue Receipts			*****				
Cash Funds	97,581	150,000	*****	0	0		
Trust Funds			*****				
Const. & Fiscal Off. Fund			*****				
Other			*****				
Total Funding			*****				
Excess Appro./(Funding)			*****				
Grand Total	97,581	150,000	*****	0	0		

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency 061 COMMISSIONER OF STATE LANDS
Appropriation B28 DELINQUENT TAX- CASH
Fund 117 LAND- CASH OPERATIONS

Character Title	Expenditures			Request		Recommendations	
	2001-02 Actual	2002-03 Budgeted	2002-03 Authorized	2003-04 Total	2004-05 Total	Legislative 2003-04	2004-05
Operating Expenses	810,483	836,000	836,000	988,300	1,012,600		
Prof Fees & Services	26,301	30,000	30,000	80,300	81,825		
Recording Fee Reimb.	157,504	165,000	165,000	185,000	195,000		
Delinquent Tax Remital	10,678,032	14,000,000	14,000,000	15,000,000	15,750,000		
Grand Total	11,672,320	15,031,000	15,031,000	16,253,600	17,039,425		

THIS APPROPRIATION INCLUDES A35- LAND SURVEY- CASH

Funding Sources							
Fund Balances			*****				
General Revenues			*****				
Federal Funds			*****				
Special Revenues			*****				
State Central Services			*****				
Non-Revenue Receipts			*****				
Cash Funds	11,672,320	15,031,000	*****	16,253,600	17,039,425		
Trust Funds			*****				
Const. Officers Fund			*****				
Other			*****				
Total Funding			*****				
Excess Appro./(Funding)			*****				
Grand Total	11,672,320	15,031,000	*****	16,253,600	17,039,425		

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency 061 COMMISSIONER OF STATE LANDS
 Appropriation 006 OPERATIONS
 Fund HSC STATE CENTRAL SERVICES

Character Title	Expenditures			Request		Recommendations	
	2001-02 Actual	2002-03 Budgeted	2002-03 Authorized	2003-04 Total	2004-05 Total	Legislative 2003-04	2004-05
Regular Salaries	1,505,723	1,896,220	1,896,220	2,139,386	2,197,208		
No. of Positions	43	43	43	48	48		
Extra Help	36,547	40,000	40,000	40,000	40,000		
No. of Positions	5	5	5	5	5		
Personal Serv Matching	401,082	466,357	466,357	567,953	578,743		
Operating Expenses	30,502	66,000	66,000	91,650	91,650		
Conf Fees & Travel	2,260	10,000	10,000	12,312	12,312		
Prof Fees & Services	0	0	0	30,000	30,000		
Capital Outlay	0	0	0	2,000	2,000		
Grand Total	1,976,114	2,478,577	2,478,577	2,883,301	2,951,913		

THIS APPROPRIATION INCLUDES APPROPRIATION 168- LAND SURVEY DIVISION

Funding Sources							
Fund Balances			*****				
General Revenues			*****				
Federal Funds			*****				
Special Revenues			*****				
State Central Services	1,976,114	2,478,577	*****	2,883,301	2,951,913		
Non-Revenue Receipts			*****				
Cash Funds			*****				
Trust Funds			*****				
Const. Officers Fund			*****				
Other			*****				
Total Funding			*****				
Excess Appro./(Funding)			*****				
Grand Total	1,976,114	2,478,577	*****	2,883,301	2,951,913		

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency 061 COMMISSIONER OF STATE LANDS
Appropriation 084 SEVERED RESOURCES
Fund SSR SEVERED RESOURCES FUND

Character Title	Expenditures			Request		Recommendations	
	2001-02 Actual	2002-03 Budgeted	2002-03 Authorized	2003-04 Total	2004-05 Total	Legislative 2003-04	2004-05
Operating Expenses	5,645	15,000	15,000	15,000	15,000		
Grand Total	5,645	15,000	15,000	15,000	15,000		

Funding Sources							
Fund Balances			*****				
General Revenues			*****				
Federal Funds			*****				
Special Revenues	5,645	15,000	*****	15,000	15,000		
State Central Services			*****				
Non-Revenue Receipts			*****				
Cash Funds			*****				
Trust Funds			*****				
Const. Officers Fund			*****				
Other			*****				
Total Funding			*****				
Excess Appro./(Funding)			*****				
Grand Total	5,645	15,000	*****	15,000	15,000		

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
Biennial Appropriation Summary

Agency 061 COMMISSIONER OF STATE LANDS
 Appropriation 168 LAND SURVEY DIVISION
 Fund HUA STATE GENERAL SERVICES

Character Title	Expenditures			Request		Recommendations	
	2001-02	2002-03	2002-03	2003-04	2004-05	Legislative	
	Actual	Budgeted	Authorized	Total	Total	2003-04	2004-05
Regular Salaries	112,567	150,457	150,457	0	0		
No. of Positions	5	5	5	0	0		
Pers Serv Match	34,052	41,467	41,467	0	0		
Operating Expenses	10,809	18,122	18,122	0	0		
Conf Fees & Travel	400	2,312	2,312	0	0		
Prof Fees & Services	27,638	37,529	37,529	0	0		
Capital Outlay	0	2,000	2,000	0	0		
Grand Total	185,466	251,887	251,887	0	0		

THIS APPROPRIATION IS BEING COMBINED WITH 006- LAND OPERATIONS

Funding Sources							
Fund Balances			*****				
General Revenues	185,466	251,887	*****	0	0		
Federal Funds			*****				
Special Revenues			*****				
St. Central Svcs. Fund			*****				
Non-Revenue Receipts			*****				
Cash Funds			*****				
Trust Funds			*****				
Const. & Fiscal Off. Fund			*****				
Other			*****				
Total Funding			*****				
Excess Appro./(Funding)			*****				
Grand Total	185,466	251,887	*****	0	0		