

# ARKANSAS ABSTRACTERS' BOARD

## Enabling Laws

Act 133 of 2016  
Act 109 of 1969 as amended.  
See A.C.A. § 17-11-401

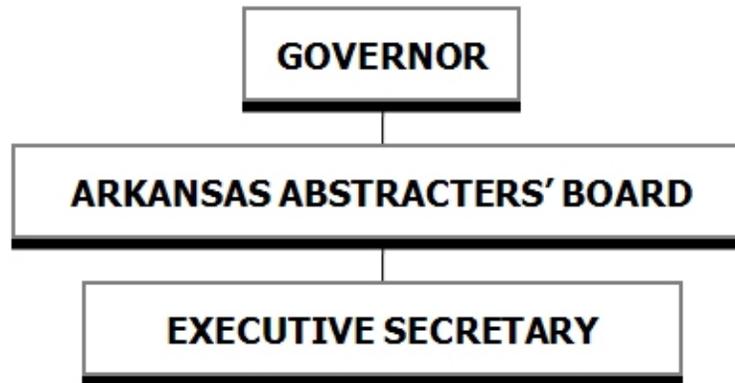
## History and Organization

The Arkansas Abstracter's Board of Examiners was created by Act 109 of 1969. This Act established a three-member board, appointed by the Governor, confirmed by the Senate, to serve six (6) year terms. The terms are staggered so that one member is replaced every two years. Act 1042 of 2007 changed the name of the Board to the Arkansas Abstracters' Board. This act increases the number of board members from three to five.

Act 1042 of 2007 also provides that two of the board members shall be actively engaged in the making of abstracts to real estate titles in the State of Arkansas for a period of no less than five (5) years prior to their appointment. A third member shall be knowledgeable of the abstract business, and two members shall be at large.

The Arkansas Abstracters' Board is staffed with one (1) part-time employee, an Abstracter Secretary General. This Board is responsible for the proper supervision and renewal of some 100-125 firm licenses and more than 325 individual licenses on an annual basis. In addition, the Board schedules and administers a semi-annual examination to approximately 30 individuals, which is given in the April and October time frames each year. Also, the Board is responsible for the examination of the records of all new firms making application for license.

In addition, the Board is responsible for responding to complaints regarding possible unlicensed operations, etc. and scheduling hearings as needed to resolve the complaints. Enforcement of the provisions of A.C.A. § 17-11-201 is within the duties of this Board and periodic inspections may be made on a random basis to ensure compliance. Revocation of certificates of authority is within the jurisdiction of this Board when non-compliance is determined in a hearing before the Board, when requested by the licensee.



**Agency Commentary**

The Arkansas Abstracters’ Board has the responsibility to regulate and license both abstract companies and individual abstracters of real estate titles. Funding is derived from special revenues collected based on fees charged for licenses, examinations, and transfers.

The Board is requesting Base level for the 2017-2019 Biennium. It is essential to maintain the current level to ensure the Board's financial obligations are met. Reductions in Base Level funding or appropriation would restrict the Board's ability to perform its core regulatory functions.

**Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 ARKANSAS ABSTRACTERS’ BOARD  
 FOR THE YEAR ENDED JUNE 30, 2013

Findings

Recommendations

Financial Management Guide regulation R4-19-4-501 requires that funds received by a board be deposited at least weekly and a reconciliation of cash collected to deposits be prepared. Of 13 deposits made by the Board, six were not deposited within a week of receipt. In addition, the Board did not reconcile cash received to deposits. Lack of staff training could result in loss of public funds.

Make deposits at least weekly and prepare reconciliations of deposits to cash received.

**Agency Response:**

Renewal checks are mailed during a time period of June 15<sup>th</sup> through August 1<sup>st</sup> of each year. Normal procedure is to log each check and get ready to make a deposit within a few

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 ARKANSAS ABSTRACTERS' BOARD  
 FOR THE YEAR ENDED JUNE 30, 2013

Findings

Generally accepted accounting principles require that assets of an entity be recorded timely. Cash on hand of \$5,590 at June 30, 2013, was not recorded in the accounting records of the Board. Lack of training could cause the misappropriation of state resources.

Recommendations

days with the Treasury. I currently live in Cabot and hand deliver to Little Rock when there is a deposit to make. Although, this is how we have always done this, I am open to whatever is suggested and will change my procedures if needed.

Contact the Department of Finance and Administration for staff training.

**Agency Response:**

Our license run from July 1st through June 30th each year, which means money received by our agency annually is during the end of the fiscal year. I am not sure how complicated it would be but changing our renewal date to January 1st of each year may be a solution to this problem. In the meantime, I will try and make sure the checks are logged as soon as possible and work with CAFR on the checks that are open on June 30th of each year.

**State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016**

None

**Employment Summary**

	Male	Female	Total	%
White Employees	0	1	1	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			1	100 %

## Publications

### A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

## Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
1	1	0	1	0	0.00 %	1	0	1	1	0	100.00 %	1	1	0	1	0	0.00 %

## **Analysis of Budget Request**

**Appropriation:** 069 - Abstracter's Board-Operations

**Funding Sources:** SXA - Arkansas Abstracters' Board Fund

Act 109 of 1969 established a three member Abstracter's Board of Examiners. Act 1042 of 2007 increased the Board to five members. The Board has the responsibility to regulate and license both abstract companies and individual abstracters of real estate titles. The Board schedules and administers a semi-annual examination to individuals seeking certification as a registered abstracter. Over 300 individuals and 125 firm licenses are issued and renewed each year. Funding is derived from special revenues collected based on fees charged for licenses, examinations, and transfers.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Agency's Base Level and total request is \$53,562 each year of the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 069 - Abstracter's Board-Operations

**Funding Sources:** SXA - Arkansas Abstracters' Board Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	976	8,927	8,927	8,927	8,927	8,927	8,927	8,927	8,927
<b>#Positions</b>		<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Personal Services Matching	5010003	5,116	7,017	7,047	7,068	7,068	7,068	7,068	7,068	7,068
Operating Expenses	5020002	3,358	12,567	12,567	12,567	12,567	12,567	12,567	12,567	12,567
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>9,450</b>	<b>53,511</b>	<b>53,541</b>	<b>53,562</b>	<b>53,562</b>	<b>53,562</b>	<b>53,562</b>	<b>53,562</b>	<b>53,562</b>
<b>Funding Sources</b>										
Fund Balance	4000005	83,798	92,058		52,347	52,347	52,347	12,585	12,585	12,585
Special Revenue	4000030	17,710	13,800		13,800	13,800	13,800	13,800	13,800	13,800
<b>Total Funding</b>		<b>101,508</b>	<b>105,858</b>		<b>66,147</b>	<b>66,147</b>	<b>66,147</b>	<b>26,385</b>	<b>26,385</b>	<b>26,385</b>
Excess Appropriation/(Funding)		(92,058)	(52,347)		(12,585)	(12,585)	(12,585)	27,177	27,177	27,177
<b>Grand Total</b>		<b>9,450</b>	<b>53,511</b>		<b>53,562</b>	<b>53,562</b>	<b>53,562</b>	<b>53,562</b>	<b>53,562</b>	<b>53,562</b>

Expenditure of appropriation is contingent upon available funding.