

COMMISSIONER OF STATE LANDS

Enabling Laws

Act 217 of 2016
Act 686 of 1983, As Amended
Act 509 of 1993, As Amended
Act 807 of 1991, As Amended
Act 147 of 1975
Act 1036 of 2007
Constitution of Arkansas, Article 6
Constitution of Arkansas, Amendment 56

History and Organization

The Commissioner of State Lands is an elected official serving a four-year term of office. Constitutional Amendment 37, approved by the voters in 1946, established the Commissioner of State Lands as one of Arkansas' seven popularly elected constitutional officers.

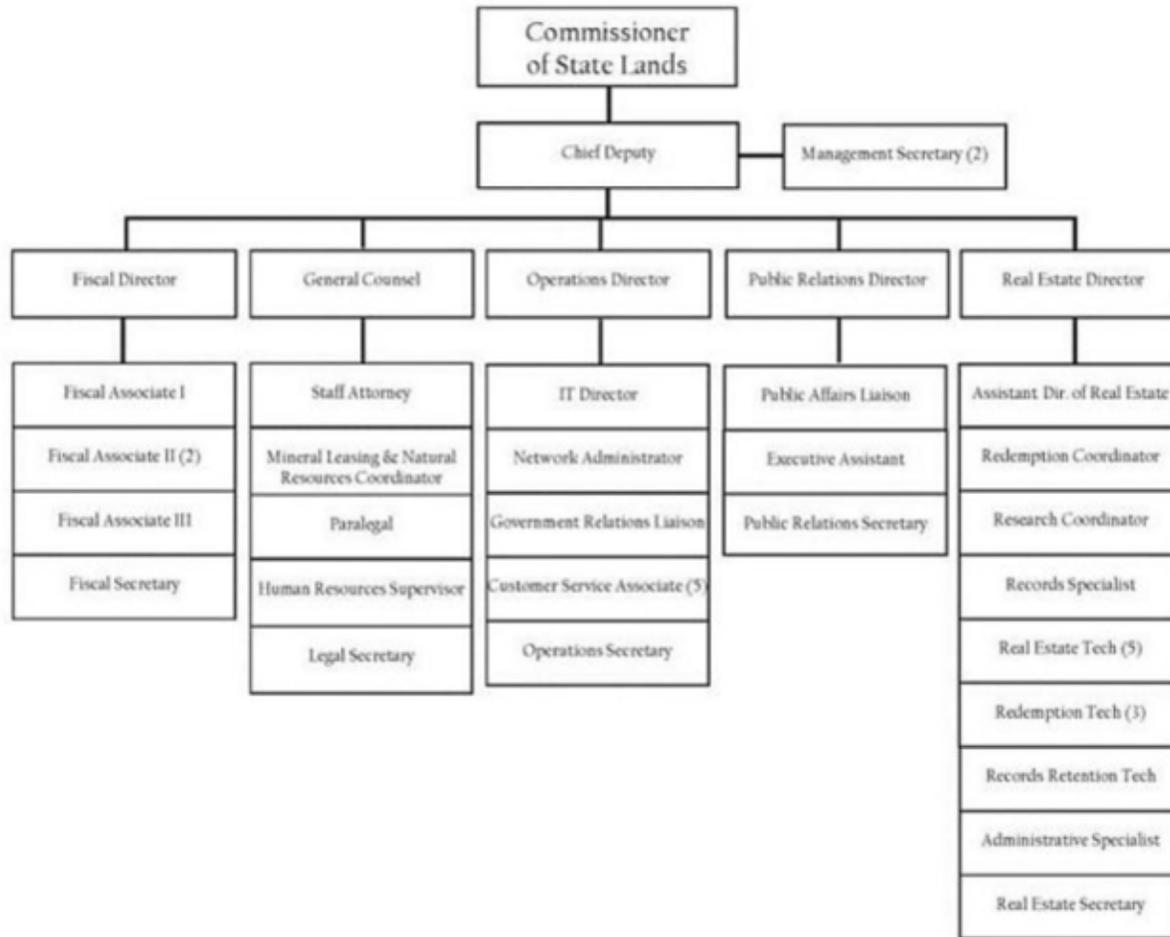
One of the major responsibilities of the Commissioner of State Lands is to return to private ownership those lands that have been certified to the state for non-payment of ad valorem real estate taxes. The procedure used is outlined in Act 626 of 1983, as amended. Essentially, this is accomplished either by the owner of record redeeming the land by paying the taxes, penalties, interest and cost or by selling the property at a public sale. Diligent efforts are made to make the owners aware that taxes are delinquent. Research of property records and public records is conducted in an effort to locate owners and interested parties. Notices are sent by regular mail, certified mail and in some case notices are posted on the property. Ultimately, property that is not redeemed is offered for sale. This process guarantees that land will continue to generate revenues required for essential public services.

Another important function of the office is the management of mineral leasing for most state owned lands, including navigable waterways. The Commissioner is chairman of the Natural Resources Committee whose job is to ensure that state owned lands are leased in a manner that best benefits the state, while protecting the environment. The office also has jurisdiction over most of the submerged lands and islands in the navigable waters of the state.

Further, the office has the authority to donate for public use tax delinquent land to state agencies, colleges and universities and local governments. Also, under the Urban Homestead Act, the Commissioner of State Lands may donate tax delinquent land to cities and nonprofit

organizations to be developed into housing for low income families to purchase.

Pursuant to statute, the Commissioner of State Lands is charged with the duty of preserving the records of the office. From a historical standpoint, records related to the Louisiana Purchase and Spanish land grants have been preserved and are available for online research. More recent documents include deeds that convey real property to state agencies, as well as documents related to tax sales, redemptions and donations.



Agency Commentary

The Commissioner of State Lands is primarily responsible for the disposition of tax delinquent real property certified to the state from the counties in compliance with the applicable statutes.

The major cost related to this task are for postage, title report fees, posting and travel expenses. By statute notice must be provided by regular mail, certified mail and in some cases by physically posting property.

Due to the efforts by this office approximately 88% of all parcels certified are redeemed prior to sale. Additionally, for the period beginning January 1, 2014 through December 30, 2015 nearly \$40,000,000 was returned to the respective counties.

There are no changes to programs requested by appropriation and funding sources in the 2017-2019 Biennial Budget Request.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS STATE LAND DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

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

None

Employment Summary

	Male	Female	Total	%
White Employees	15	21	36	86 %
Black Employees	1	3	4	10 %
Other Racial Minorities	0	2	2	4 %
Total Minorities			6	14 %
Total Employees			42	100 %

Cash Fund Balance Description as of June 30, 2016

Fund Account	Balance	Type	Location
1170100	\$23,250,000	CDs	Various

Statutory/Other Restrictions on use:

A.C.A 26-37-205 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.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A 21-6-203 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.

Revenue Receipts Cycle:

N/A

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.

Fund Account	Balance	Type	Location
1170100	\$13,030,294	Checking	First Security Bank

Statutory/Other Restrictions on use:

A.C.A 26-37-205 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.

Statutory Provisions for Fees, Fines, Penalties:

A.C.A 21-6-203 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.

Revenue Receipts Cycle:

N/A

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.

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

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2015-2016		2016-2017		2016-2017		2017-2018						2018-2019					
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
006 Operations	2,967,305	45	3,698,706	45	3,671,810	45	3,679,318	45	3,679,318	45	0	0	3,679,318	45	3,679,318	45	0	0
A14 Operating Expenses / Capital Outlay	207,167	0	267,800	0	267,800	0	267,800	0	267,800	0	0	0	267,800	0	267,800	0	0	0
B28 Delinquent Tax-Cash	27,264,486	0	36,334,056	0	36,334,056	0	36,334,056	0	36,334,056	0	0	0	36,334,056	0	36,334,056	0	0	0
C75 Islands/Submerged Lands	10,653	0	250,000	0	250,000	0	250,000	0	250,000	0	0	0	250,000	0	250,000	0	0	0
F74 Adopt a Document	0	0	250,000	0	250,000	0	250,000	0	250,000	0	0	0	250,000	0	250,000	0	0	0
Total	30,449,611	45	40,800,562	45	40,773,666	45	40,781,174	45	40,781,174	45	0	0	40,781,174	45	40,781,174	45	0	0

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	36,191,619	54.2	36,307,119	47.1			36,307,119	47.1	36,307,119	47.1	0	0.0	36,307,119	47.1	36,307,119	47.1	0	0.0
State Central Services	4000035	2,967,305	4.4	3,698,706	4.8			3,679,318	4.8	3,679,318	4.8	0	0.0	3,679,318	4.8	3,679,318	4.8	0	0.0
Cash Fund	4000045	27,597,806	41.3	37,101,856	48.1			37,101,856	48.1	37,101,856	48.1	0	0.0	37,101,856	48.1	37,101,856	48.1	0	0.0
Total Funds		66,756,730	100.0	77,107,681	100.0			77,088,293	100.0	77,088,293	100.0	0	0.0	77,088,293	100.0	77,088,293	100.0	0	0.0
Excess Appropriation/(Funding)		(36,307,119)		(36,307,119)				(36,307,119)		(36,307,119)		0		(36,307,119)		(36,307,119)		0	
Grand Total		30,449,611		40,800,562				40,781,174		40,781,174		0		40,781,174		40,781,174		0	

No Executive Recommendation made on these appropriations.

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
45	45	0	45	0	0.00 %	45	0	45	45	0	100.00 %	45	0	45	45	0	100.00 %

Appropriation Summary

Appropriation: 006 - Operations

Funding Sources: HSC - State Central Services

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,177,251	2,716,515	2,689,619	2,716,514	2,716,514	0	2,716,514	2,716,514	0
#Positions		45	45	45	45	45	0	45	45	0
Extra Help	5010001	4,926	40,000	40,000	40,000	40,000	0	40,000	40,000	0
#Extra Help		5	5	5	5	5	0	5	5	0
Personal Services Matching	5010003	709,730	866,191	866,191	846,804	846,804	0	846,804	846,804	0
Operating Expenses	5020002	65,981	66,000	66,000	66,000	66,000	0	66,000	66,000	0
Conference & Travel Expenses	5050009	9,417	10,000	10,000	10,000	10,000	0	10,000	10,000	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		2,967,305	3,698,706	3,671,810	3,679,318	3,679,318	0	3,679,318	3,679,318	0
Funding Sources										
State Central Services	4000035	2,967,305	3,698,706		3,679,318	3,679,318	0	3,679,318	3,679,318	0
Total Funding		2,967,305	3,698,706		3,679,318	3,679,318	0	3,679,318	3,679,318	0
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		2,967,305	3,698,706		3,679,318	3,679,318	0	3,679,318	3,679,318	0

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: A14 - Operating Expenses / Capital Outlay

Funding Sources: 117 - Commissioner of State Lands - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Capital Outlay/Operating Exp 5900046	207,167	267,800	267,800	267,800	267,800	0	267,800	267,800	0
Total	207,167	267,800	267,800	267,800	267,800	0	267,800	267,800	0
Funding Sources									
Fund Balance 4000005	233,992	26,825		26,825	26,825	0	26,825	26,825	0
Cash Fund 4000045	0	267,800		267,800	267,800	0	267,800	267,800	0
Total Funding	233,992	294,625		294,625	294,625	0	294,625	294,625	0
Excess Appropriation/(Funding)	(26,825)	(26,825)		(26,825)	(26,825)	0	(26,825)	(26,825)	0
Grand Total	207,167	267,800		267,800	267,800	0	267,800	267,800	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: B28 - Delinquent Tax-Cash

Funding Sources: 117 - Commissioner of State Lands - Cash

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
Operating Expenses	5020002	1,099,248	1,209,056	1,209,056	1,209,056	1,209,056	0	1,209,056	1,209,056	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	962,638	1,750,000	1,750,000	1,750,000	1,750,000	0	1,750,000	1,750,000	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	316,914	375,000	375,000	375,000	375,000	0	375,000	375,000	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Deliquent Tax Remittal/Sale Refu	5900046	24,885,686	33,000,000	33,000,000	33,000,000	33,000,000	0	33,000,000	33,000,000	0
Total		27,264,486	36,334,056	36,334,056	36,334,056	36,334,056	0	36,334,056	36,334,056	0
Funding Sources										
Fund Balance	4000005	35,957,627	36,040,947		36,040,947	36,040,947	0	36,040,947	36,040,947	0
Cash Fund	4000045	27,347,806	36,334,056		36,334,056	36,334,056	0	36,334,056	36,334,056	0
Total Funding		63,305,433	72,375,003		72,375,003	72,375,003	0	72,375,003	72,375,003	0
Excess Appropriation/(Funding)		(36,040,947)	(36,040,947)		(36,040,947)	(36,040,947)	0	(36,040,947)	(36,040,947)	0
Grand Total		27,264,486	36,334,056		36,334,056	36,334,056	0	36,334,056	36,334,056	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: C75 - Islands/Submerged Lands
Funding Sources: 117 - Commissioner of State Lands - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2017-2018			2018-2019		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	10,653	0	0	0	0	0	0	0	0
Submerged Lands	5900046	0	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Total		10,653	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Funding Sources										
Fund Balance	4000005	0	239,347		239,347	239,347	0	239,347	239,347	0
Cash Fund	4000045	250,000	250,000		250,000	250,000	0	250,000	250,000	0
Total Funding		250,000	489,347		489,347	489,347	0	489,347	489,347	0
Excess Appropriation/(Funding)		(239,347)	(239,347)		(239,347)	(239,347)	0	(239,347)	(239,347)	0
Grand Total		10,653	250,000		250,000	250,000	0	250,000	250,000	0

No Executive Recommendation made on this appropriation.

Appropriation Summary

Appropriation: F74 - Adopt a Document

Funding Sources: 117 - Commissioner of State Lands - Cash

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2017-2018			2018-2019		
	2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Adopt a Document Program Expe 5900046	0	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Total	0	250,000	250,000	250,000	250,000	0	250,000	250,000	0
Funding Sources									
Cash Fund 4000045	0	250,000		250,000	250,000	0	250,000	250,000	0
Total Funding	0	250,000		250,000	250,000	0	250,000	250,000	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	250,000		250,000	250,000	0	250,000	250,000	0

No Executive Recommendation made on this appropriation.