

SALE OF PROPERTY PROCEDURES

Failure to adhere to these procedures may cause a delay and/or approval of the transaction may be withheld. The process is governed by Ark. Code Ann. § 22-6-601, the DBA Minimum Standards and Criteria and other state laws cited below. Agencies are strongly encouraged to contact their legal representative for these transactions.

- a) Property shall be appraised prior to making a request to the DBA Director for its sale. Agencies are responsible for obtaining the services of a certified and licensed appraiser and shall notify the DBA Director when they have obtained a certified and licensed appraiser. Agencies shall ensure that the selected appraiser takes an oath regarding the appraisal. A copy of the oath can be found on our website, www.dba.arkansas.gov (Forms & Resources then to Real Estate). Upon receipt of the appraisal, the agency should certify its request to sell to the DBA Director. Contents of the written certification shall include but is not limited, a description of the property, reasons for the sale, and document that the agency has sent notifications to other state agencies (including boards and commissions) regarding any interest in the property and whether an agency has expressed an interest in the property. Agency should provide information as to whether a lease or any encumbrances exists on the property. A copy of the appraisal and the oath should accompany the certification to DBA, which will be forwarded, along with the DBA recommendation to the Governor's Office.
- c) Pursuant to Ark. Code Ann. § 25-10-121, certain agencies who do not want the funds deposited into general revenue may request the alternative under Ark. Code Ann. § 22-6-601(j). Agencies desiring such shall make a written request to the Governor and include it with the materials submitted to DBA.
- d) DBA will notify the agency of the Governor's determination regarding the sale. If approved, our Real Estate Services Section will prepare the bid documents. The bid process includes placement of ads for the requisite time period in the appropriate newspaper(s). The agency is responsible for the costs associated with the advertised notice. Bids cannot be opened less than thirty (30) days from and after the date of the first advertised notice.
- e) Bid Award:
1) Property shall only be sold for the highest aggregate bid and for cash only. If the bid equals or exceeds the appraised amount, the successful bidder who is the highest responsible bidder may be accepted.
2) It cannot be sold for less than the appraised amount unless approved by the Governor and a determination by DBA that a rebid is unnecessary. Upon approval, the agency may enter negotiations with the highest bidder.
(i) Legislative Council (ALC) shall review the sale of the land before the agency finalizes the sale in those instances where property is sold for less than appraised value. The agency shall prepare and send review request to ALC.
- f) Parties are responsible for their respective closing costs. The closing is expected to be within 30 days of the bid's acceptance (as opposed to bid opening).
- g) Deeds shall recite those respective provisions mandated in Ark. Code Ann. § 22-6-601(i)(2). The deed shall contain a statement that the State shall retain ownership of not less than one-half (½) interest in and to all oil, gas, and other minerals contained in the property (§ 22-6-113). This transaction is exempted from revenue tax stamps (§ 26-60-102). If a survey is contracted for by an agency, the agency should remind the surveyor that any plat made by them of all surveyed property boundary lines should be filed in the county circuit clerk's office, unless exempted (§17-48-106). Agencies shall report the conveyance to Legislative Council within 30 days of the respective quarter the conveyance occurred (§22-6-117 through §118).
- h) After closing, the agency is responsible for providing written notification to the Commissioner of State Lands of the transfer of property ownership and other required information regarding the property pursuant to Ark. Code Ann. § 22-5-209.

All inquiries should be directed to the Real Estate Services Administrator at the Division of Building Authority, 501 Woodlane Drive, Suite 101N, Little Rock, AR 72201 (501) 682-1833.