

REAL PROPERTY PURCHASE 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 ABA Minimum Standards and Criteria and other state laws cited below. Agencies are strongly encouraged to contact their legal representative for these transactions.

a) Agencies may contact the ABA Design Review Section (501-682-5544) to initiate a feasibility site review, which can determine the general conditions, market value, as well as flood plain restrictions, appraisal and environmental assessments, and overall suitability for the intended use. If a feasibility study is not requested, agencies may obtain a flood plain status review from the Design Review Section regarding the property anytime prior to the request in #3.

b) Agencies shall provide written notification to the ABA Director when they have obtained the services of a certified/licensed appraiser. Agencies shall ensure that the appraiser takes an oath* and is properly licensed with the Appraisers Licensing Board.

c) Certification to the ABA Director shall be made by the Agency by providing justification of the proposed purchase. The following additional copies should be attached to the justification request:

1. Offer and acceptance**;
2. Current appraisal of the property and the appraiser's oath;
3. E098-04 disclosure forms;
4. Title commitment (seller's expense/§ 25-16-706; licensure of the title insurance agent licensure/§ 23-103-301); and
5. Any documentation from the Attorney General (§ 25-16-706).

d) A flood plain review shall be conducted by ABA if not previously performed as stated in #1.

e) Upon receipt of the documents, ABA will review the proposal and forward it along with its recommendation to the Governor's Office. ABA provides notification to the agency of the Governor's determination.

f) Agencies are exempt from revenue tax stamps on property purchases (§ 26-60-102).

g) Options to Buy: Agencies considering "options to buy" should initiate steps #1 & #2 promptly. It is suggested that the cost should not be more than 1% of the asking price. Invoices, along with a copy of the option to purchase and other pertaining documents, should be sent to ABA Real Estate Services Section for review.

h) Following the closing process, Agencies should:

- Submit a copy of the recorded deed to the Commissioner of State Lands (§ 22-5-411).
- 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 by § 17-48-106.
- Send written documentation regarding state ownership to the County Assessor's Office with respect to tax or tax-exempt status.
- Provide written notification to the ABA Real Estate Services Section Administrator of the property ownership and other required information. (§ 22-2-121).

*See our website at www.arkansasbuildingauthority.com; go to Real Estate Services, click on forms.

**Executed copies of Offer and Acceptances will be acceptable if the document states that the offer and acceptance is predicated upon the approval of the Office of the Governor. *However, ABA would strongly suggest that agencies not execute Offer and Acceptances without an initial review by ABA before submitting it as stated in #2.* ABA approval of the drafted offer and acceptance should not be deemed nor taken as a favorable recommendation to the Governor under #2. Contact the Real Estate Services Administrator (682-5568) if you would like to review a sample form of an offer and acceptance or an appraiser's oath.