

## 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 ABA 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 ABA Director for its sale. Agencies are responsible for obtaining the services of a certified and licensed appraiser and shall notify the ABA 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.arkansasbuildingauthority.com](http://www.arkansasbuildingauthority.com), go to the Real Estate Services page and click on forms. Upon receipt of the appraisal, the agency should certify its request to sell to the ABA Director. Contents of the written certification shall include but is not limited, a description of the property, reasons for the sale, whether any other agency has expressed interest in the land and whether a lease or any encumbrances exists on the property. A copy of the appraisal and the oath should accompany the certification to ABA, which will be forwarded, along with the ABA 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 ABA.
- d) ABA will notify the agency of the Governor's determination regarding the sale. If approved, the Real Estate Services Section prepares 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. It cannot be sold for less than the appraised amount unless approved by the Governor and a determination by ABA that a rebid is unnecessary. Upon approval, the agency may enter into negotiations with the highest bidder.
  - 2) If the bid equals or exceeds the appraised amount, the successful bidder who is the highest responsible bidder may be accepted.
  - 3) Legislative Council shall review the sale of the land before the agency finalizes the sale.
- f) Parties are responsible for their respective closing costs. The closing is expected to be within 30 days of the bid's acceptance.
- 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). The agency is responsible for certifying a copy of the deed to the Governor as well as notifying the State Land Commissioner of the agency disposing of such land (§ 22-5-411). 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) ABA Database: After closing, agencies shall provide written notification to the ABA Real Estate Services Administrator of the property ownership and other required information regarding the property pursuant to Ark. Code Ann. § 22-2-121.

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