Stricken language would be deleted from and underlined language would be added to present law. Act 945 of the Regular Session

| 1 | State of Arkansas As Engrossed: S3/4/21 H4/14/21 |
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| 2 | 93rd General Assembly A Bill |
| 3 | Regular Session, 2021 SENATE BILL 33 |
| 4 | |
| 5 | By: Senators B. Ballinger, M. Johnson |
| 6 | By: Representatives Gonzales, A. Collins |
| 7 | |
| 8 | For An Act To Be Entitled |
| 9 | AN ACT TO AMEND THE LAW CONCERNING THE USE OF EMINENT |
| 10 | DOMAIN BY A STATE AGENCY; TO ADD NEW DEFINITIONS |
| 11 | UNDER EMINENT DOMAIN; AND FOR OTHER PURPOSES. |
| 12 | |
| 13 | |
| 14 | Subtitle |
| 15 | TO AMEND THE LAW CONCERNING THE USE OF |
| 16 | EMINENT DOMAIN BY A STATE AGENCY; AND TO |
| 17 | ADD NEW DEFINITIONS UNDER EMINENT DOMAIN. |
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| 20 | BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS: |
| 21 | |
| 22 | SECTION 1. DO NOT CODIFY. <u>Legislative intent.</u> |
| 23 | (a) The General Assembly finds that: |
| 24 | (1) Public use is a legal requirement under the takings clause |
| 25 | of the Fifth Amendment to the United States Constitution, which stipulates |
| 26 | owners of real property seized for public use be paid just compensation; |
| 27 | (2) Over two hundred (200) years of case law exists in the State |
| 28 | of Arkansas establishing the legal definition of "public use"; |
| 29 | (3) It is necessary to codify current case law defining "public |
| 30 | use" in the State of Arkansas so that the system of eminent domain is |
| 31 | preserved; and |
| 32 | (4) It is in the best interest of the people of the State of |
| 33 | Arkansas for property owners to be protected from being subjected to a taking |
| 34 | by the federal, state, or local government unless that property is taken by |
| 35 | the government for public use and just compensation is received. |
| 36 | (b) It is the intent of the General Assembly to amend § 18-15-101 et |

| 1 | seq. so that the language of § 18-15-101 et seq. reflects current case law, |
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| 2 | decisions, and precedent and to preserve the status quo of the eminent domain |
| 3 | process in the state. |
| 4 | |
| 5 | SECTION 2. Arkansas Code Title 18, Chapter 15, Subchapter 1, is |
| 6 | amended to add an additional section to read as follows: |
| 7 | 18-15-104. Definitions. |
| 8 | As used in this chapter: |
| 9 | (1) "Abandoned property" means property that: |
| 10 | (A) Has not been occupied or used for a commercial or |
| 11 | residential purpose for at least one (1) year by a person with a legal or |
| 12 | equitable right to occupy or use the property; |
| 13 | (B) Has been cited for a violation of a housing, building, |
| 14 | or fire code that has not been remedied within one hundred eighty (180) days |
| 15 | from the date the citation was issued; and |
| 16 | (C) Has accrued at least two (2) years of delinquent |
| 17 | <pre>property taxes;</pre> |
| 18 | (2) "Blighted property" means a building, in its current |
| 19 | condition, that has been designated and cited as unfit for human use or |
| 20 | habitation by the agency responsible for enforcement of housing, building, or |
| 21 | fire codes because the: |
| 22 | (A) Building is dilapidated, unsanitary, or unsafe; |
| 23 | (B) Building is a fire hazard; or |
| 24 | (C) Electricity, heating, or plumbing has been destroyed |
| 25 | or removed; |
| 26 | (3)(A) "Public use" means the taking of private property by an |
| 27 | entity authorized under this chapter using the power of eminent domain for |
| 28 | the purpose of: |
| 29 | (i) Possessing, developing, occupying, and owning |
| 30 | property for the enjoyment of the general public or public agency; |
| 31 | (ii) Possessing, occupying, and owning property for |
| 32 | the necessary operations of a utility or common carrier that the general |
| 33 | public has a right to use; |
| 34 | (iii) Remediating and reselling blighted property; |
| 35 | <u>or</u> |
| 36 | (iv) Possessing and reselling abandoned property. |

| 1 | (B)(i) "Public use" does not include the taking of private |
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| 2 | property for the economic benefit of the general public, including without |
| 3 | limitation for the purpose of an increase in the tax base, tax revenues, or |
| 4 | <pre>employment.</pre> |
| 5 | (ii) However, a taking of private property for a |
| 6 | public use as defined in subdivision (3)(A) of this section is not prohibited |
| 7 | because the public use also provides ancillary economic benefits; and |
| 8 | (4) "State agency" means an office, board, commission, |
| 9 | department, council, bureau, or other agency of state government. |
| 10 | |
| 11 | SECTION 3. Arkansas Code § 18-15-1202(b), concerning railroad |
| 12 | condemnation proceedings, is amended to read as follows: |
| 13 | (b)(1) In case the property sought to be condemned for public use is |
| 14 | owned by $\frac{any}{an}$ individual or corporation and is located in more than one (1) |
| 15 | county, the petition may be filed in $\frac{1}{2}$ a circuit court having jurisdiction |
| 16 | in any county in which the whole or a part of the property $\frac{may}{may}$ be $\frac{is}{may}$ located. |
| 17 | (2) Proceedings had in the circuit court $\frac{\text{will}}{\text{shall}}$ apply to all |
| 18 | property designated in the petition. |
| 19 | |
| 20 | SECTION 4. Arkansas Code Title 18, Chapter 15, is amended to add an |
| 21 | additional subchapter to read as follows: |
| 22 | <u>Subchapter 18 - State Agencies Generally</u> |
| 23 | |
| 24 | 18-15-1801. Administrative warrant. |
| 25 | (a) For the purposes of establishing the basis for the use of eminent |
| 26 | domain for the remediation of a blighted property or for the possession of an |
| 27 | abandoned property, a state agency may request an administrative warrant from |
| 28 | a judge or magistrate to gain access to inspect a building on the property. |
| 29 | (b)(1) The judge or magistrate may allow the state agency to present |
| 30 | evidence that shows that there is probable cause that a violation occurred, |
| 31 | notice of the violation has been served on the owner of the property, the |
| 32 | owner has failed to cure the violation, and the owner has denied the state |
| 33 | agency access to the building. |
| 34 | (2) The state agency may use evidence to support a conclusion of |
| 35 | probable cause, including without limitation evidence of: |
| 36 | (A) A recent fire or police inspection; |

| 1 | (B) Deterioration of the building's exterior; or | |
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| 2 | (C) Other violations of the municipal code in the | |
| 3 | building. | |
| 4 | | |
| 5 | 18-15-1802. Cause of action. | |
| 6 | (a) Unless otherwise agreed by the parties or determined by a court of | |
| 7 | law, the owner of private property may raise a defense or bring a cause of | |
| 8 | action in circuit court to determine whether his or her private property is | |
| 9 | <pre>lawfully being taken:</pre> | |
| 10 | (1) For a public use; | |
| 11 | (2) As blighted property; | |
| 12 | (3) As abandoned property; or | |
| 13 | (4) As necessary to achieve a public use. | |
| 14 | (b) A state agency has the burden of proof to show by a preponderance | |
| 15 | of the evidence that the private property is lawfully being taken for the | |
| 16 | purposes authorized under subsection (a) of this section. | |
| 17 | (c)(1) In a challenge to whether the taking is necessary to achieve a | |
| 18 | public use, the state agency bears the burden of proving by the preponderance | |
| 19 | of the evidence that the: | |
| 20 | (A) Land, real estate, premises, or other property the state | |
| 21 | agency seeks to acquire is required for a public use; | |
| 22 | (B) State agency has plans that reflect a reasonable schedule to | |
| 23 | complete the public use after the state agency takes ownership of the | |
| 24 | <pre>property;</pre> | |
| 25 | (C) State agency has access to funding to complete the public | |
| 26 | use; and | |
| 27 | (D) Public use cannot be accomplished by using or acquiring | |
| 28 | other property with the consent of the owner of the property without an | |
| 29 | unreasonable increase in cost or delay. | |
| 30 | (2) The Arkansas Department of Transportation is exempt from the | |
| 31 | burden of proving whether the taking is necessary to achieve a public use as | |
| 32 | required under subdivision (c)(1) of this section. | |
| 33 | (d) A cause of action under this section shall not be exercised more | |
| 34 | than one hundred eighty (180) days after the date the owner of the property | |
| 35 | received reasonable notice of a condemnation under this chapter. | |

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| 2 | /s/B. Ballinger |
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