Urban Homestead Program

The Urban Homestead Program allows the Commissioner of State Lands to donate tax-delinquent lots for development into low-income housing.

This helps clean up and regenerate neighborhoods while providing housing for those in need.

Who qualifies for these donations?
Housing authorities, community development agencies or corporations, local initiative support corporations, or other community organizations classified as a 501(c)(3) nonprofit corporation under the Internal Revenue Service code qualify.

Prior approval
If the property is located in a city or incorporated town, the applicant must obtain the city or town's specific approval of the donation before the Commissioner donates the land.

This will avoid potential conflicts in planning or development projects in the city or town.

Can Urban Homestead donation use be changed?
No. Parcels donated for the Urban Homestead Program can only be used to build or maintain a homestead for eligible persons. The city, town or community organization may sell, lease or grant the completed home to the eligible person.

Homestead eligibility
The deed from the Commissioner of State Lands will set out the eligibility criteria for the person who will later buy, lease or receive the completed housing.

Donations to public entities

The Commissioner of State Lands may donate land to a state department or agency, a state institution or a county, city or school district.

Requirements for donation

Agencies and organizations that apply for these lands must state how they intend to use the land, and for how long. They must designate a division or department to maintain the property.

Review process

The Commissioner can approve, recommend changes or deny an application.

Restrictive clauses

The Commissioner may add restrictive clauses to the deed, requiring certain actions or notifications if the property's use is changed or discontinued. In those cases, the following will apply:

Change of use
If the agency wants to change use of the property later, the Commissioner is to review the application for change.

What happens to land when real estate taxes are not paid?
The Commissioner of State Lands holds tax-delinquent properties for two years. The owner may redeem the property at any time during those two years by paying the delinquent taxes. If the property is not redeemed, it is put up for public auction.

What happens to property that does not sell?
By Arkansas law, properties that are not sold at public auction may be purchased through our post-auction sale process or may be donated to qualifying entities.

The Commissioner of State Lands may donate tax delinquent properties to state agencies, state institutions and local governmental units for public use.

The commissioner may also donate property under the Urban Homestead Program.
Again, the Commissioner may approve, modify or deny the request.

**Discontinued use**
If the agency or organization decides it has no further use for the property, there are two possibilities:

1. The agency may return the property to the Commissioner of State Lands, where it will be treated like any other tax-forfeited land.
2. The property may be sold, if the purchasing party pays the full amount of all delinquent taxes, penalties, interest and costs.

**Governing Statutes**

Donations are governed by Arkansas statutes:
» A.C.A. § 22-6-501 sets requirements for donations to agencies and cities.
» A.C.A. § 20-80-401-411 creates the Urban Homestead Program.

For more information or to apply for a donation of tax-delinquent lands, contact the Commissioner of State Lands at 501-324-9422.