

1 State of Arkansas
2 95th General Assembly
3 Fiscal Session, 2026

SR 21

4
5 By: Senators B. Johnson, J. Dotson
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8 **SENATE RESOLUTION**

9 TO AUTHORIZE THE INTRODUCTION OF A NONAPPROPRIATION
10 BILL TO CREATE THE ARKANSAS PROPERTY RIGHTS
11 PROTECTION FROM SHARIA LAW ACT; AND TO REGULATE
12 CERTAIN RESIDENTIAL PROPERTY INTERESTS CONTROLLED BY
13 CERTAIN ENTITIES.
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16 **Subtitle**

17 TO AUTHORIZE THE INTRODUCTION OF A
18 NONAPPROPRIATION BILL TO CREATE THE
19 ARKANSAS PROPERTY RIGHTS PROTECTION FROM
20 SHARIA LAW ACT AND TO REGULATE CERTAIN
21 RESIDENTIAL PROPERTY INTERESTS
22 CONTROLLED BY CERTAIN ENTITIES.
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25 BE IT RESOLVED BY THE SENATE OF THE NINETY-FIFTH GENERAL ASSEMBLY OF THE
26 STATE OF ARKANSAS:

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28 THAT Senator Blake Johnson is authorized to introduce a bill which as
29 introduced will read substantially as follows:
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31 "Title

32 AN ACT TO CREATE THE ARKANSAS PROPERTY RIGHTS PROTECTION FROM SHARIA LAW ACT;
33 TO REGULATE CERTAIN RESIDENTIAL PROPERTY INTERESTS CONTROLLED BY CERTAIN
34 ENTITIES; AND FOR OTHER PURPOSES.
35

36 Subtitle



1 TO CREATE THE ARKANSAS PROPERTY RIGHTS PROTECTION FROM SHARIA LAW ACT; AND TO
2 REGULATE CERTAIN RESIDENTIAL PROPERTY INTERESTS CONTROLLED BY CERTAIN
3 ENTITIES.

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5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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7 SECTION 1. DO NOT CODIFY. Title.

8 This act shall be known and may be cited as the "Arkansas Property
9 Rights Protection From Sharia Law Act".

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11 SECTION 2. Arkansas Code Title 4, Chapter 88, Subchapter 1, is amended
12 to add an additional section to read as follows:

13 4-88-118. Business entity-owned residential arrangements –
14 Definitions.

15 (a) As used in this section:

16 (1) "Business entity" means a partnership, corporation, joint
17 venture, limited liability company, or other business organization or
18 business association, however organized;

19 (2) "Managing entity" means a business entity that owns
20 residential property used in a residential arrangement;

21 (3) "Residential arrangement" means an arrangement in which the
22 purchaser of an interest in a business entity is entitled to the exclusive
23 possession of the residential property owned by the entity as long as the
24 purchaser holds the interest in the business entity; and

25 (4) "Residential property" means the real property and
26 improvements for a single-family house, duplex, triplex, or quadruplex.

27 (b) An agreement for the purchase of an interest in a managing entity
28 shall disclose to the purchaser that the agreement is for the purchase of an
29 interest in the entity and not in any residential property itself.

30 (c) The purchase agreement and any other agreement or rules governing
31 the residential arrangement or the ownership interest in the entity shall not
32 require that a dispute concerning the arrangement or interest be brought
33 before a tribunal other than a court established under the laws of this state
34 or the United States.

35 (d) A managing entity shall not take an action with respect to an
36 interest in the entity in a manner that would be a violation of the Arkansas

1 Fair Housing Act, § 16-123-201 et seq., if the interest in the entity were an
2 interest in real property, including without limitation:

3 (1) Restricting the transfer of the interest;

4 (2) Imposing requirements to maintain the interest; or

5 (3) Refusing to grant an interest to an otherwise qualified
6 person.

7 (e) Notwithstanding any provision in an agreement between the owner
8 and a managing entity, an owner of an interest in a managing entity may
9 transfer the interest without approval from the managing entity.

10 (f) A managing entity shall not charge a fee for or share in the
11 proceeds of the transfer of an interest in the managing entity from an owner
12 to a subsequent purchaser.

13 (g)(1) A violation of this section is an unfair and deceptive act or
14 practice, as defined by the Deceptive Trade Practices Act, § 4-88-101 et seq.

15 (2) All remedies, penalties, and authority granted to the
16 Attorney General under the Deceptive Trade Practices Act, § 4-88-101 et seq.,
17 shall be available to the Attorney General for the enforcement of this
18 chapter.

19 (h)(1) A managing entity shall not take an action with respect to an
20 interest in the entity if the managing entity is being investigated for a
21 violation of the Arkansas Securities Act, § 23-42-101 et seq.

22 (2) The Attorney General may pursue an injunction against a
23 managing entity if a violation of subdivision (h)(1) is found.

24 (i) A court that finds a violation of this section may enjoin a
25 managing entity or a person affiliated with the managing entity from taking
26 action in furtherance of the development of or construction on residential
27 property used in a residential arrangement subject to an action under this
28 section, including without limitation:

29 (1) Filing a petition with the Division of Environmental Quality
30 for the creation of a municipality or consolidated utility district created
31 under the General Consolidated Public Utility System Improvement District
32 Law, § 14-217-101 et seq.;

33 (2) Taking action in connection with a petition for the creation
34 of a district described by subdivision (i)(1) of this section filed with the
35 division before the issuance of the injunction; or

36 (3) Receiving, directly or indirectly, any public money or

1 benefit.

2 (j) This section does not apply to:

3 (1) The sale, rental, or occupancy of a dwelling that is a
4 single-family house, duplex, triplex, or quadruplex located on a subdivided
5 lot in a parcel of land twenty-five (25) acres or greater owned by a
6 religious organization, association, or society or a nonprofit institution or
7 organization operated, supervised, or controlled by or in conjunction with a
8 religious organization, association, or society; or

9 (2) A time-share interest as defined under § 18-14-102 et seq."

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