

Act 530 of the 1989 Regular Session.

Act 530

HB1434

By: Representative Wilson

"AN ACT TO AMEND ARKANSAS CODE 4-59-101 RELATING TO CONTRACTS."

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

SECTION 1. Arkansas Code 4-59-101 is hereby amended to read as follows:

"4-59-101. Contracts, agreements, or promises required to be in writing.

(a) Unless the agreement, promise, or contract, or some memorandum or note thereof, upon which an action is brought is made in writing and signed by the party to be charged therewith, or signed by some other person properly authorized by the person sought to be charged, no action shall be brought to charge any:

(1) Executor or administrator, upon any special promise, to answer for any debt or damage out of his own estate;

(2) Person, upon any special promise, to answer for the debt, default, or miscarriage of another;

(3) Person, upon an agreement made in consideration of marriage;

(4) Person, upon any contract for the sale of lands, tenements, or hereditaments, or any interest in or concerning them;

(5) Person, upon any lease of lands, tenements, or hereditaments for a longer term than one (1) year;

(6) Person, upon any contract, promise, or agreement, that is not to be performed within one (1) year from the making of the contract, promise, or agreement.

(b) No promise to pay a debt or obligation which has been discharged in bankruptcy shall be valid unless the promise is in writing.

(c) No action may be maintained to charge any person upon any promise made after full age to pay any debt contracted during infancy, unless the promise or ratification is made by some writing signed by the party to be charged with the promise or ratification.

(d) No action may be maintained by or against any person or entity on any agreement to extend credit or to renew or modify existing credit in an amount greater than ten thousand dollars (\$10,000) or to make any other accommodation relating to such credit, unless the agreement is in writing and is signed by the party to be charged with the agreement, or the duly authorized agent of such party. For the purpose of this section 'agreement' means any agreement, contract, promise, undertaking or commitment, or any modification thereof, and 'credit' means the loaning of money, the right granted to defer payment of a debt, or to incur debt and defer its payment. Provided, however, nothing herein shall in any way limit recovery of moneys or collateral which represent or relate to credit actually extended."

SECTION 2. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 4. It is hereby found and determined that this Act protects the public and lenders from fraud and misunderstandings related to credit transactions. Therefore, in order to insure that the State possesses adequate authority under this Act to protect the citizens of the State of Arkansas from fraud and misunderstandings related to credit transactions, an emergency is hereby declared to exist and this Act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: March 14, 1989
