

"AN ACT TO AMEND SUBSECTION (3) OF SECTION 4 OF ACT 241 OF 1959, AS AMENDED [ARK. STATS. 67-722(3)], AND PARAGRAPH (2) OF SUBSECTION (B) OF SECTION 1 OF ACT 33 OF THE FIRST EXTRA-ORDINARY SESSION OF 1985 [ARK. STATS. 67-726(B)(2)], TO INCREASE THE MAXIMUM SERVICE CHARGE WHICH MAY BE MADE BY THE HOLDER OF A HOT CHECK; AND FOR OTHER PURPOSES."

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

SECTION 1. Subsection (3) of Section 4 of Act 241 of 1959, as amended, the same being Arkansas Statutes 67-722 (3) is hereby amended to read as follows:

"(3) Payment was refused by the drawee for lack of funds, upon presentation within thirty (30) days after delivery, and the maker or drawer shall not have paid the holder thereof the amount due thereon, together with a service charge not to exceed Fifteen Dollars (\$15.00) within ten (10) days after receiving written notice that payment was refused upon such check, draft or order.

For purposes of this Section:

(A)(i) Notice shall be sent by certified or registered mail, evidenced by return receipt, to the address printed on the instrument or given at the time of issuance, or current residence.

(ii) The form of the notice shall be substantially as follows: 'You are hereby notified that a check or instrument, numbered ____, issued by you on _____(date), drawn upon _____(name of bank), in the amount of _____, and payable to _____, has been dishonored. Pursuant to Arkansas law, you have ten (10) days from receipt of this notice to tender payment of the full amount of such check or instrument plus a service charge of \$_____(not to exceed \$15.00), the total amount due being \$_____. Unless this amount is paid in full within the specified time above, the holder of such check or instrument may turn over the dishonored check or instrument and all other available information relating to this incident to the Prosecuting Attorney for criminal prosecution.'

(iii) Any party holding a dishonored check or instrument and giving notice in substantially similar form to that provided in subparagraph (A)(ii) and in the manner provided in subparagraph (A)(i) shall be immune from civil liability and criminal liability if sent in good faith for the giving of such notice and for proceeding under the forms of such notice.

(B) Nothing in this Section shall impair the Prosecuting Attorney's power to immediately file charges after the check has been returned prior to the sending of the notice as described in this Section."

SECTION 2. Paragraph (2) of Subsection (B) of Section 1 of Act 33 of the First Extraordinary Session of 1985, the same being Arkansas Statutes 67-726(B)(2) is hereby amended to read as follows:

"(2) payment was refused by the bank or other drawee for lack of funds or insufficient funds on presentation within thirty (30) days after issue and the issuer failed to pay the holder in full, plus a service charge not to exceed Fifteen Dollars (\$15.00), within ten (10) days after receiving notice of that refusal."

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

APPROVED: April 7, 1987
