

"AN ACT TO AMEND THE ARKANSAS CODE OF 1987, TITLE 16, CHAPTER 17, SECTION 605, TO PERMIT FAMILY HELD CORPORATIONS TO APPEAR AND SUE IN SMALL CLAIMS COURT; AND FOR OTHER PURPOSES."

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

Section 1. Title 16, Chapter 17, Section 605 of the Arkansas Code of 1987, is hereby amended to read as follows:

"16-17-605 Actions by and against corporations. (a) Corporations, other than those identified in 16-17-604, which are organized under the laws of this state and which have no more than three (3) stockholders or in which eighty-five percent (85%) or more of the voting stock is held by persons related by blood or marriage within the third degree of consanguinity may sue and be sued in small claims courts created pursuant to this subchapter.

(b) A corporation shall be represented in the proceedings by an officer of the corporation."

(c) This section shall not apply to credit bureaus and collection agencies. Credit bureaus and collection agencies, by definition, shall include those businesses that either collect delinquencies for a fee or are otherwise engaged in credit history or business.

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 3. EMERGENCY. It is hereby found and determined by the General Assembly that the immediate passage of this bill is necessary to assure that the people of the State of Arkansas have continued access to their judicial forums. Therefore, an emergency is hereby declared to exist and this Act being 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: 2/19/88

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