

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

A Bill

ACT 694 OF 1997
HOUSE BILL 1326

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5 By: Representatives Bisbee, Wren, and Fletcher
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For An Act To Be Entitled

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9 "AN ACT TO AMEND ARKANSAS CODE ANNOTATED § 16-17-605 TO
10 ALLOW CLOSELY HELD CORPORATIONS TO SUE AND BE SUED IN
11 SMALL CLAIMS COURTS; AND FOR OTHER PURPOSES."
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Subtitle

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14 "TO ALLOW CLOSELY HELD CORPORATIONS TO
15 SUE AND BE SUED IN SMALL CLAIMS COURTS"
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Arkansas Code Annotated § 16-17-605 is amended to read as
20 follows:

21 "16-17-605. Actions by and against corporations.

22 (a) Corporations, other than those identified in § 16-17-604, which are
23 organized under the laws of this state and which have no more than three (3)
24 stockholders or in which eighty-five percent (85%) or more of the voting stock
25 is held by persons related by blood or marriage within the third degree of
26 consanguinity or any closely held corporation by unanimous vote of the
27 shareholders may sue and be sued in small claims courts created pursuant to
28 this subchapter.

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

31 (c)(1) This section shall not apply to credit bureaus and collection
32 agencies.

33 (2) Credit bureaus and collection agencies, by definition, shall
34 include those businesses that either collect delinquencies for a fee or are
35 otherwise engaged in credit history or business."
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1 SECTION 2. All provisions of this act of a general and permanent nature
2 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
3 Revision Commission shall incorporate the same in the Code.

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5 SECTION 3. If any provision of this act or the application thereof to
6 any person or circumstance is held invalid, such invalidity shall not affect
7 other provisions or applications of the act which can be given effect without
8 the invalid provision or application, and to this end the provisions of this
9 act are declared to be severable.

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11 SECTION 4. All laws and parts of laws in conflict with this act are
12 hereby repealed.

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APPROVED:3-19-97

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