

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
4

A Bill

ACT 84 OF 1997
HOUSE BILL 1083

5 By: House Interim Committee on Insurance and Commerce
6 By: Senate Interim Committee on Insurance and Commerce
7

For An Act To Be Entitled

8
9 "AN ACT TO REENACT ARKANSAS CODE 23-32-1401 ET SEQ.
10 ENTITLED THE SURETY BOND EXEMPTION ACT ; AND FOR OTHER
11 PURPOSES."

Subtitle

12
13
14 "TO REENACT ARKANSAS CODE ENTITLED THE
15 SURETY BOND EXEMPTION ACT."

16
17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

18
19 SECTION 1. Title.

20 This act may be known as ~~the~~ Surety Bond Exemption Act.

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22 SECTION 2. Purpose.

23 The purpose of this act is to exempt state and federal savings and loan
24 associations from being required to furnish security in the form of cash,
25 bond, or otherwise, insuring proper performance of their duties and
26 obligations in the business transactions set forth in Section 5 of this act.
27 This purpose is based on the premise that savings and loan associations are so
28 thoroughly governed by state and federal law, rule, and regulation that there
29 is an insignificant risk of such an institution being unable to adequately
30 compensate an injured or damaged party.

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32 SECTION 3. Applicability of other laws.

33 The law defining savings and loan associations' formation, structure,
34 and operation shall apply to this act except as herein provided.

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36 SECTION 4. Construction.

1 Nothing in this act shall be construed to:

2 (1) Prevent a state or federal savings and loan association from
 3 electing or agreeing to furnish bond at its own cost;

4 (2) Prevent any other party of interest, desiring protection in a
 5 business transaction with a state or federal savings and loan association,
 6 from electing to secure and pay for a bond covering the state or federal
 7 savings and loan association to the benefit of such a party to the
 8 transaction;

9 (3) Amend or repeal any law pertaining to:

10 (A) Corporate surety or indemnity bonds covering directors, officers, or
 11 employees of such state or federal savings and loan association;

12 (B) Foreign corporations, associations, or institutions not authorized
 13 to do business in this state;

14 (C) Actions available against such state or federal savings and loan
 15 associations for injury or damage;

16 (D) Bonding requirements involving fiduciary activities of a guardian,
 17 executor, administrator, personal representative, trustee, agent, or other
 18 fiduciary under the Probate Code or under any other laws covering fiduciary
 19 activities.

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21 SECTION 5. Exemption from posting bond in certain transactions.

22 (a) Except when the dollar amount of responsibility assumed exceeds its
 23 net capital and surplus, no state or federal savings and loan association,
 24 chartered or licensed to do business in this state, shall be required to
 25 furnish fidelity, surety, or performance bond, called ~~“bond”~~ in this act, in
 26 business transactions involving:

27 (1) Garnishment;

28 (2) Replevin;

29 (3) Foreclosure;

30 (4) Forcible entry and detainer.

31 (b) At the beginning of any proceeding in all such business
 32 transactions, the state or federal savings and loan association shall, upon
 33 request, furnish to each party to the transaction a copy of its most recent
 34 statement of financial condition.

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36 SECTION 6. All provisions of this act of a general and permanent nature

1 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
2 Revision Commission shall incorporate the same in the Code.

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

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10 SECTION 8. All laws and parts of laws in conflict with this act are
11 hereby repealed.

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13 SECTION 9. EMERGENCY. It is hereby found and determined by the General
14 Assembly that the Arkansas Banking Act of 1997 goes into effect on May 31,
15 1997; that the law addressed by this act was repealed by the Arkansas Banking
16 Act of 1997 for technical purposes; that this act will reenact that law with
17 necessary changes; and that this act must go into effect on May 31, 1997, in
18 order to correlate with the Banking Act of 1997. Therefore an emergency is
19 declared to exist and this act being immediately necessary for the
20 preservation of the public peace, health and safety shall be in full force and
21 effect from and after May 31, 1997.

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24 APPROVED:2-04-97

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