

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas  
2 82nd General Assembly  
3 Regular Session, 1999  
4

As Engrossed: H4/6/99  
**A Bill**

**Act 1497 of 1999**  
HOUSE BILL 2073

5 By: Representative Laverty  
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### 8 **For An Act To Be Entitled**

9 "AN ACT CONCERNING THE TRANSFER OF CREDIT CARD DEBT;  
10 AND FOR OTHER PURPOSES. "  
11

### 12 **Subtitle**

13 "AN ACT CONCERNING THE TRANSFER OF CREDIT  
14 CARD DEBT. "  
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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#### 19 *SECTION 1. Definitions.*

20 *As used in this act, unless the context otherwise requires:*

21 *(1) "Person" means a natural person or an organization;*

22 *(2) "Credit" means the right granted by a creditor to a debtor to defer*  
23 *payment of debt or to incur debt and defer its payment;*

24 *(3) "Creditor" means a person who both:*

25 *(A) Regularly extends, whether in connection with loans, sales of*  
26 *property or services, or otherwise, consumer credit which is payable by*  
27 *agreement in more than four (4) installments or for which the payment of a*  
28 *finance charge is or may be required, and*

29 *(B) Is the person to whom the debt arising from the consumer*  
30 *credit transaction is initially payable on the face of the evidence of*  
31 *indebtedness or, if there is no such evidence of indebtedness, by agreement.*  
32 *In the case of an open end credit plan involving a credit card, the card*  
33 *issuer is a creditor. Creditor shall also include card issuers whether or not*  
34 *the amount due is payable by agreement in more than four installments;*

35 *(4) "Open end credit plan" means a plan under which the creditor*  
36 *reasonably contemplates repeated transactions, which prescribes the terms of*

1 such transactions, and which provides for a finance charge which may be  
2 computed from time to time on the outstanding unpaid balance. A credit plan  
3 which is an open end credit plan within the meaning of the preceding sentence  
4 is an open end credit plan even if credit information is verified from time to  
5 time;

6 (5) "Credit card" means any card, plate, coupon book or other credit  
7 device existing for the purpose of obtaining money, property, labor, or  
8 services on credit.

9 (6) "Cardholder" means any person to whom a credit card is issued or  
10 any person who has agreed with the card issuer to pay obligations arising from  
11 the issuance of a credit card to another person.

12 (7) "Card issuer" means any person who issues a credit card, or the  
13 agent of the person with respect to the credit card.

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15 SECTION 2. Cardholders Protected.

16 (a) If a credit cardholder transfers at outstanding credit card balance  
17 from one credit card account to another credit card account, the creditor  
18 issuing the credit card from which the outstanding balance was transferred  
19 shall not collect any interest or any other fees attributable to the credit  
20 card account for the amount of the outstanding balance having been transferred  
21 for any period after the date of the transfer from the account.

22 (b) Any creditor issuing a credit card who charges a consumer any  
23 interest or any other fees after the transfer of an outstanding credit balance  
24 from one credit card account to another credit card account shall be liable to  
25 the consumer for an amount which is treble the amount of any interest or other  
26 fees charged, plus all costs, to include a reasonable amount for attorneys  
27 fees.

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29 SECTION 3. Deceptive Trade Practice.

30 (a) Further, a violation of the provisions of this act by a credit card  
31 issuer or creditor issuing a credit card shall constitute an unfair and  
32 deceptive act or practice as defined by the Deceptive Trade Practices Act,  
33 beginning at Arkansas Code 4-88-101. All remedies, penalties and authority  
34 granted to the Attorney General under the Deceptive Trade Practices Act shall  
35 be available to the Attorney General for the enforcement of this section.

36 (b) Nothing in this act shall limit the rights or remedies which are

1 otherwise available to the credit cardholder under any other law.

2 (c) The obligations under this act are cumulative and should in no way  
3 be deemed to limit the obligations imposed under any other state or federal  
4 law.

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6 SECTION 4. Applicability.

7 Notwithstanding, the federal Consumer Credit Protection Act, beginning  
8 at 15 USC § 1601, or any other federal or state laws protecting the rights of  
9 consumers who are issued credit cards in this state or other states, on and  
10 after the effective date of this act, the provisions of this act shall apply  
11 to all qualifying credit card account transactions where a creditor has chosen  
12 to issue a credit card to a citizen of the State of Arkansas or has chosen to  
13 continue to offer a credit card account to a citizen in Arkansas and shall  
14 thereby governed by the provisions of this act.

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16 SECTION 5. All provisions of this act of a general and permanent nature  
17 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
18 Revision Commission shall incorporate the same in the Code.

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

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26 SECTION 7. All laws and parts of laws in conflict with this act are  
27 hereby repealed.

28 /s/ Laverty

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31 APPROVED: 4/15/1999