

Stricken language would be deleted from and underlined language would be added to the Arkansas Constitution.

1 State of Arkansas *As Engrossed: H3/18/09 H3/24/09*

2 87th General Assembly

3 Regular Session, 2009

HJR 1004

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5 By: Representative Cheatham

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HOUSE JOINT RESOLUTION

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PROPOSING AN AMENDMENT TO THE CONSTITUTION OF

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ARKANSAS CONCERNING THE INTEREST RATE LIMITS.

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Subtitle

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PROPOSING AN AMENDMENT TO THE

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CONSTITUTION OF ARKANSAS CONCERNING THE

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INTEREST RATE LIMITS.

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BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE EIGHTY-SEVENTH GENERAL

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ASSEMBLY OF THE STATE OF ARKANSAS AND BY THE SENATE, A MAJORITY OF ALL

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MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:

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That the following is proposed as an amendment to the Constitution of

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the State of Arkansas, and upon being submitted to the electors of the state

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for approval or rejection at the next general election for Representatives

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and Senators, if a majority of the electors voting thereon at the election

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adopt the amendment, the amendment shall become a part of the Constitution of

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the State of Arkansas, to wit:

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SECTION 1. The maximum lawful rates of interest on bonds issued by

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governmental units in the State of Arkansas as set forth in various

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provisions and amendments to the Arkansas Constitution of 1874, including

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Article 19, § 13, and Amendment Nos. 30, 38, 62, 65, and 78, are removed.

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SECTION 2. The maximum lawful rate of interest on loans made by or to

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governmental units in the State of Arkansas as set forth in Article 19, § 13

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of the Arkansas Constitution of 1874 is removed.



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2 SECTION 3. The maximum lawful rate of interest on all contracts for
3 consumer loans and credit sales in the State of Arkansas under Article 19, §
4 13(a) of the Arkansas Constitution is repealed.

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6 SECTION 4. The maximum lawful rates of interest on all contracts for
7 consumer loans and credit sales in the State of Arkansas is the rate of
8 interest established in Article 19, § 13(b) of the Arkansas Constitution.

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10 SECTION 5. This amendment shall not supersede or affect the maximum
11 rate of interest that may be charged by an insured depository institution.

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13 SECTION 6. All other loans having a greater rate of interest than
14 seventeen percent (17%) per annum shall be void as to the principal and
15 interest.

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17 SECTION 7. (a) The term "bonds" means all bonds, notes, certificates,
18 financing leases, or other interest-bearing instruments or evidences of
19 indebtedness.

20 (b) The term "governmental unit" means the State of Arkansas; any
21 county, municipality, school district, or other political subdivision of the
22 State of Arkansas; any special assessment or taxing district established
23 under the laws of the State of Arkansas; and any agency, board, commission,
24 or instrumentality of any of the foregoing.

25 (c) The term "loans made by or to governmental units" means all direct
26 or indirect advances of funds and moneys that are conditioned on the
27 obligation of a person or entity to repay the funds and moneys pursuant to
28 loan agreements, lease agreements, installment sale agreements, security
29 agreements, notes, or other instruments or documents evidencing the
30 indebtedness and are made by or to governmental units.

31 (d)(1) The term "other loans" means all direct or indirect advances of
32 funds and moneys that are conditioned on the obligation of a person or entity
33 to repay the funds and money under loan agreements, lease agreements,
34 installment sale agreements, security agreements, notes, or other instruments
35 or documents evidencing the indebtedness.

36 (2) The term "other loans" shall not mean loans made by or to

1 governmental units.

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3 SECTION 8. This constitutional amendment shall not supersede or
4 invalidate any federal law applicable to loans or interest rates including
5 loans secured by residential real property.

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7 SECTION 9. The ballot title for this amendment shall be:
8 An amendment to the Arkansas Constitution to remove the constitutional
9 interest rate limits on bonds issued by and loans made by or to governmental
10 units by repealing the interest rate limitations set forth in Article 19, §
11 13, and Amendment Nos. 30, 38, 62, 65, and 78 of the Arkansas Constitution
12 with respect to such bonds and loans, and to establish that the maximum
13 interest rate for other loans is seventeen percent (17%) per annum.

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15 SECTION 10. Nothing in this amendment shall limit the power of the
16 General Assembly to fix, from time to time, one or more interest rate limits
17 on various types of bonds and loans.

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19 SECTION 11. If this amendment or the application thereof to any person
20 or circumstances is held invalid, the remainder of the amendment and its
21 application to persons or circumstances other than those to which it is held
22 invalid shall not be affected.

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24 SECTION 12. The provisions of this amendment shall be self-executing.

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26 SECTION 13. The provisions of this amendment shall apply to all bonds
27 issued and loans, including other loans made in whole or in part after the
28 effective date of this amendment.

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30 SECTION 14. This amendment shall repeal all provisions of the Arkansas
31 Constitution in conflict with it.

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35 /s/ Cheatham