

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

# A Bill

SENATE BILL 241

4  
5 By: Senator Harriman

## For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE ANNOTATED §§ 4-3-118 AND  
10 16-56-111 RELATING TO LIMITATION ON ACTIONS ON WRITTEN  
11 OBLIGATIONS; AND FOR OTHER PURPOSES."

## Subtitle

14 "TO AMEND A.C.A. §§ 4-3-118 AND  
15 16-56-111 RELATING TO LIMITATION ON  
16 ACTIONS ON WRITTEN OBLIGATIONS"

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

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20 SECTION 1. Arkansas Code Annotated § 4-3-118 is amended to read as  
21 follows:

22 "4-3-118. Statute of limitations.

23 (a) Except as provided in subsection (e), an action to enforce the  
24 obligation of a party to pay a note payable at a definite time must be  
25 commenced within ~~six (6)~~ five (5) years after the due date or dates stated in  
26 the note or, if a due date is accelerated, within ~~six (6)~~ five (5) years after  
27 the accelerated due date.

28 (b) Except as provided in subsection (d) or (e), if demand for payment  
29 is made to the maker of a note payable on demand, an action to enforce the  
30 obligation of a party to pay the note must be commenced within ~~six (6)~~ five  
31 (5) years after the demand. If no demand for payment is made to the maker, an  
32 action to enforce the note is barred if neither principal nor interest on the  
33 note has been paid for a continuous period of ten (10) years.

34 (c) Except as provided in subsection (d), an action to enforce the  
35 obligation of a party to an unaccepted draft to pay the draft must be  
36 commenced within three (3) years after dishonor of the draft or ten (10) years

1 after the date of the draft, whichever period expires first.

2 (d) An action to enforce the obligation of the acceptor of a certified  
3 check or the issuer of a teller's check, cashier's check, or traveler's check  
4 must be commenced within three (3) years after demand for payment is made to  
5 the acceptor or issuer, as the case may be.

6 (e) An action to enforce the obligation of a party to a certificate of  
7 deposit to pay the instrument must be commenced within ~~six (6)~~ five (5) years  
8 after demand for payment is made to the maker, but if the instrument states a  
9 due date and the maker is not required to pay before that date, the six-year  
10 period begins when a demand for payment is in effect and the due date has  
11 passed.

12 (f) An action to enforce the obligation of a party to pay an accepted  
13 draft, other than a certified check, must be commenced (i) within ~~six (6)~~ five  
14 (5) years after the due date or dates stated in the draft or acceptance if the  
15 obligation of the acceptor is payable at a definite time, or (ii) within six  
16 (6) years after the date of the acceptance if the obligation of the acceptor  
17 is payable on demand.

18 (g) Unless governed by other law regarding claims for indemnity or  
19 contribution, an action (i) for conversion of an instrument, for money had and  
20 received, or like action based on conversion, (ii) for breach of warranty, or  
21 (iii) to enforce an obligation, duty, or right arising under this chapter and  
22 not governed by this section must be commenced within three (3) years after  
23 the cause of action accrues."

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25 SECTION 2. Arkansas Code Annotated § 16-56-111 is amended to read as  
26 follows:

27 "16-56-111. Notes and instruments in writing, and other writings.

28 ~~—— (a) Actions on promissory notes and on other instruments in writing not~~  
29 ~~under seal shall be commenced within five (5) years after the cause of action~~  
30 ~~shall accrue, and not thereafter. However, partial payment or written~~  
31 ~~acknowledgment of default shall toll this statute of limitation.~~

32 ~~—— (b) Actions on writings under seal shall be commenced within five (5)~~  
33 ~~years after the cause of action shall accrue, and not afterward.~~

34 ~~—— (c) This section shall apply to all actions commenced after March 1,~~  
35 ~~1989, regardless whether the default occurred prior to, on, or after March 1,~~  
36 ~~1989.~~

1        Actions to enforce written obligations, duties, or rights, except those  
 2 to which Arkansas Code Annotated § 4-4-111 is applicable, shall be commenced  
 3 within five (5) years after the cause of action shall accrue. However, partial  
 4 payment or written acknowledgment of default shall toll this statute of  
 5 limitations."

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7        SECTION 3. All provisions of this act of a general and permanent nature  
 8 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
 9 Revision Commission shall incorporate the same in the Code.

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

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17        SECTION 5. All laws and parts of laws in conflict with this act are  
 18 hereby repealed.

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