

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

As Engrossed: H4/6/99
A Bill

HOUSE BILL 2073

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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 **Subtitle**

12 "AN ACT CONCERNING THE TRANSFER OF CREDIT
13 CARD DEBT. "

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

18 *SECTION 1. Definitions.*

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

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

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

23 (3) "Creditor" means a person who both:

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

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

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