

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

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003  
4  
5 By: Representative Thyer  
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HJR 1009

**HOUSE JOINT RESOLUTION**

PROPOSING AN AMENDMENT TO THE ARKANSAS  
CONSTITUTION TO ESTABLISH THE MAXIMUM LAWFUL  
RATES OF INTEREST.

**Subtitle**

PROPOSING AN AMENDMENT TO THE ARKANSAS  
CONSTITUTION TO ESTABLISH THE MAXIMUM  
LAWFUL RATES OF INTEREST.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE EIGHTY-FOURTH GENERAL  
ASSEMBLY OF THE STATE OF ARKANSAS AND BY THE SENATE, A MAJORITY OF ALL  
MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:

That the following is proposed as an amendment to the Constitution of  
the State of Arkansas, and upon being submitted to the electors of the state  
for approval or rejection at the next general election for Representatives  
and Senators, if a majority of the electors voting thereon at the election,  
adopt the amendment, the amendment shall become a part of the Constitution of  
the State of Arkansas, to wit:

SECTION 1. Article 19, Section 13 of the Constitution of the State of  
Arkansas is amended to read as follows:

§ 13. Maximum lawful rates of interest.

(a) General Loans:

(i) The maximum lawful rate of interest on any contract entered  
into after the effective date hereof shall not exceed five percent (5%) per  
annum above the ~~Federal Reserve Discount Rate~~ rate established by the  
Arkansas Economic Development Commission at the time of the contract. In



1 determining the rate, the Commission shall use the Federal Primary Credit  
 2 Rate or its successor.

3 (ii) All such contracts having a rate of interest in excess of  
 4 the maximum lawful rate shall be void as to the unpaid interest. A person who  
 5 has paid interest in excess of the maximum lawful rate may recover, within  
 6 the time provided by law, twice the amount of interest paid. It is unlawful  
 7 for any person to knowingly charge a rate of interest in excess of the  
 8 maximum lawful rate in effect at the time of the contract, and any person who  
 9 does so shall be subject to such punishment as may be provided by law.

10 (b) Consumer Loans and Credit Sales: All contracts for consumer loans  
 11 and credit sales having a greater rate of interest than seventeen percent  
 12 (17%) per annum shall be void as to principal and interest and the General  
 13 Assembly shall prohibit the same by law.

14 (c) Definitions: As used herein, the term:

15 (i) "Consumer Loans and Credit Sales" means credit extended to a  
 16 natural person in which the money, property, or service which is the subject  
 17 of the transaction is primarily for personal, family or household purposes.

18 (ii) ~~"Federal Reserve Discount Rate" means the Federal Reserve~~  
 19 ~~Discount Rate on ninety-day commercial paper~~ "Federal Primary Credit Rate"  
 20 means that rate in effect in the Federal Reserve Bank in the Federal Reserve  
 21 District in which Arkansas is located.

22 (d) Miscellaneous:

23 (i) The rate of interest for contracts in which no rate of  
 24 interest is agreed upon shall be six percent (6%) per annum.

25 (ii) The provisions hereof are not intended and shall not be  
 26 deemed to supersede or otherwise invalidate any provisions of federal law  
 27 applicable to loans or interest rates including loans secured by residential  
 28 real property.

29 (iii) The provisions hereof revoke all provisions of State law  
 30 which establish the maximum rate of interest chargeable in the State or which  
 31 are otherwise inconsistent herewith.

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