

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

SENATE BILL 148

By: Senator Hester
By: Representative Pilkington

For An Act To Be Entitled

AN ACT TO MODIFY THE SMALL BUSINESS ENTITY TAX PASS
THROUGH ACT; TO PROVIDE FOR A TEMPORARY LIEN AT THE
TIME A CHARGING APPLICATION IS FILED; AND FOR OTHER
PURPOSES.

Subtitle

TO MODIFY THE SMALL BUSINESS ENTITY TAX
PASS THROUGH ACT; AND TO PROVIDE FOR A
TEMPORARY LIEN AT THE TIME A CHARGING
APPLICATION IS FILED.

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

SECTION 1. Arkansas Code § 4-32-705 is amended to read as follows:
4-32-705. Rights of judgment creditor.

(a)(1) On application to a court of competent jurisdiction by any
judgment creditor of a member, the court ~~may~~ shall charge the member's
limited liability company interest with payment of the unsatisfied amount of
judgment with interest.

(2) To the extent so charged, the judgment creditor has only the
rights of an assignee of the member's limited liability company interest.

(3) This chapter does not deprive any member of the benefit of
any exemption laws applicable to his or her limited liability company
interest.

(b) Upon the filing of a charging application by a judgment creditor
of a member under subdivision (a)(1) of this section, a temporary lien is



1 created in favor of the judgment creditor against the member's limited
2 liability company until a ruling by the court is entered on the record or the
3 application is dismissed.