

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

As Engrossed: S2/6/19 H3/14/19

A Bill

SENATE BILL 148

5 By: Senator Hester
6 By: Representative Pilkington
7

For An Act To Be Entitled

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

15 TO MODIFY THE SMALL BUSINESS ENTITY TAX
16 PASS THROUGH ACT; AND TO PROVIDE FOR A
17 TEMPORARY LIEN AT THE TIME A CHARGING
18 APPLICATION IS FILED.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 4-32-705 is amended to read as follows:
25 4-32-705. Rights of judgment creditor.

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

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

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

35 (b) Upon the filing of a charging application by a judgment creditor
36 of a member under subdivision (a)(1) of this section and the recording of the



1 charging application in the register of the Secretary of State as required
2 under subsection (c) of this section, a temporary lien is created in favor of
3 the judgment creditor against the member's membership interest in the limited
4 liability company interest until a ruling by the court is entered on the
5 record or the application is dismissed.

6 (c) The Secretary of State shall:

7 (1) Create a register within the Uniform Commercial Code lien
8 filings for charging applications received under subsection (b) of this
9 section; and

10 (2) Maintain the register so that the register can be searched
11 in the same manner as the lien filings of the Uniform Commercial Code, § 4-1-
12 101 et seq.

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14 /s/Hester
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