

State of Arkansas
92nd General Assembly
Regular Session, 2019

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

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* 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 and the recording of the



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

(c) The Secretary of State shall:

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

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

/s/Hester

APPROVED: 4/1/19