

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

# A Bill

HOUSE BILL 1831

5 By: Representative M. Shepherd  
6 By: Senator K. Hammer  
7

## For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING THE USE OF  
9 SETTLEMENT FUNDS BY THE ATTORNEY GENERAL; AND FOR  
10 OTHER PURPOSES.  
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## Subtitle

14 TO AMEND THE LAW CONCERNING THE USE OF  
15 SETTLEMENT FUNDS BY THE ATTORNEY  
16 GENERAL.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 25-16-718 is amended to read as follows:  
22 25-16-718. Use of settlement and civil penalty funds.

23 (a) ~~When a settlement is agreed to or a judgment is entered in a~~  
24 ~~lawsuit in which the state is a party receiving all or part of the funds from~~  
25 ~~the settlement or judgment, the~~ The Attorney General shall create and  
26 maintain accounts as necessary to receive ~~the~~ funds resulting from:

27 (1) A settlement that is agreed to or a judgment that is entered  
28 in a lawsuit in which the state is a party receiving all or part of the funds  
29 from the settlement or judgment; or

30 (2) A civil penalty collected by the Attorney General for which  
31 the law does not specify a use.

32 (b) The Attorney General shall distribute the funds as:

33 (1)(A) Restitution to Arkansas consumers or state agencies or  
34 for other purposes as designated by the court order or settlement agreement.

35 (B) Funds distributed under subdivision (b)(1)(A) of this  
36 section shall be distributed to Arkansas consumers as soon as practicable and



1 according to any applicable court order;

2 (2) Cash funds to a state agency having a nexus to the  
3 underlying litigation;

4 (3) Payment of attorney's fees or civil penalties under § 4-88-  
5 113(a)(1), § 4-88-113(c), or § 4-88-113(e);

6 (4) Required under § 4-88-105, if the funds are deposited into  
7 the Consumer Education and Enforcement Account; or

8 (5) Payment for personal services, miscellaneous operating  
9 expenses, or grants of the Attorney General's office.

10 (c)(1) The Attorney General's office shall provide a quarterly report  
11 to the Legislative Council or Joint Budget Committee of all cash funds  
12 received from court orders or settlement agreements.

13 (2) The report shall include:

14 (A) The case name of the court order or settlement  
15 agreement;

16 (B) The amount of funds received by the Attorney General's  
17 office for each court order or settlement agreement; and

18 (C)(i) A plan for disbursement of the funds.

19 (ii) If cash funds received from a court order or  
20 settlement agreement are expended for any purpose, the report shall itemize  
21 specific activities subject to the exclusions provided in § 4-88-111 and §  
22 25-1-403(1)(B).

23 (iii) The report shall also itemize the specific  
24 consumer education and enforcement activities funded for the Attorney  
25 General's office.

26 (3) If funds received from a court order or settlement agreement  
27 are given to a specific entity by the Attorney General's office, the report  
28 shall include:

29 (A)(i) A statement regarding whether the court order or  
30 settlement agreement directed funds to be given to a specific entity.

31 (ii) If the court order or settlement agreement  
32 directs funds be given to a specific entity, the Attorney General's office  
33 shall provide a summary of input regarding the drafting of the court order or  
34 settlement agreement.

35 (iii) If the Attorney General's office receives funds  
36 from a court order or settlement agreement that does not require disbursement

1 of funds to a specific entity, the Attorney General's office shall report a  
2 rationale for disbursing funds to a specific entity; and

3 (B) A report of current balances of all unappropriated  
4 cash fund holdings received by court order or settlement agreement by the  
5 Attorney General's office.

6 (4) The quarterly reports shall be provided no later than the  
7 fifteenth day of the month immediately following the end of each quarter.

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