

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

A Bill

SENATE BILL 145

5 By: Senator B. King
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS LAW CONCERNING THE
10 ALLOCATION OF FUNDS RESULTING FROM LITIGATION
11 INVOLVING THE USE OF FUNDS FROM THE GENERAL
12 IMPROVEMENT FUND OR ITS SUCCESSOR FUND OR FUND
13 ACCOUNTS; AND FOR OTHER PURPOSES.
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Subtitle

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16 TO AMEND ARKANSAS LAW CONCERNING THE
17 ALLOCATION OF FUNDS RESULTING FROM
18 LITIGATION INVOLVING THE USE OF FUNDS
19 FROM THE GENERAL IMPROVEMENT FUND OR ITS
20 SUCCESSOR FUND OR FUND ACCOUNTS.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 25-16-718 is amended to read as follows:
26 25-16-718. Use of settlement funds.

27 (a) ~~When~~ Except as otherwise provided in subsection (d) of this
28 section, when a settlement is agreed to or a judgment is entered in a lawsuit
29 in which the state is a party receiving all or part of the funds from the
30 settlement or judgment, the Attorney General shall create and maintain
31 accounts as necessary to receive the funds.

32 (b) ~~The~~ Except as otherwise provided in subsection (d) of this
33 section, the Attorney General shall distribute the funds as:

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

36 (B) Funds distributed under subdivision (b)(1)(A) of this



1 section shall be distributed to Arkansas consumers as soon as practicable and
2 according to any applicable court order;

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

5 (3) Payment of attorney's fees or civil penalties under § 4-88-
6 113(a)(1), § 4-88-113(c), or § 4-88-113(e);

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

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

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

14 (2) The report shall include:

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

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

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

20 (ii) If cash funds received from a court order or
21 settlement agreement are expended for any purpose, the report shall itemize
22 specific activities subject to the exclusions provided in § 4-88-111 and §
23 25-1-403(1)(B).

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

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

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

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

36 (iii) If the Attorney General's office receives funds

1 from a court order or settlement agreement that does not require disbursement
2 of funds to a specific entity, the Attorney General's office shall report a
3 rationale for disbursing funds to a specific entity; and

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

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

9 (d) When a settlement is agreed to or a judgment is entered in a
10 lawsuit concerning the appropriation, expenditure, or use of funds from the
11 General Improvement Fund or its successor fund or fund accounts, including
12 the Development and Enhancement Fund, in which the state is a party receiving
13 all or part of the funds from the settlement or judgment, the funds shall be
14 deposited into the State Treasury to be used by the Division of Arkansas
15 State Police for:

16 (1) Crime reduction and prevention programs; and

17 (2) Assistance to the Division of Community Correction in the
18 provision of probation, parole, and post-release supervision services.

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