

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1831

By: Representative M. Shepherd

By: Senator K. Hammer

For An Act To Be Entitled

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

Subtitle

TO AMEND THE LAW CONCERNING THE USE OF
SETTLEMENT FUNDS BY THE ATTORNEY
GENERAL.

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

SECTION 1. Arkansas Code § 25-16-718 is amended to read as follows:

25-16-718. Use of settlement and civil penalty funds.

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

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

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

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

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

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



according to any applicable court order;

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

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

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

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

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

(2) The report shall include:

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

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

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

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

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

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

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

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

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

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

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

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

APPROVED: 4/16/25