

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

SENATE BILL 867

By: Senator Teague

For An Act To Be Entitled

AN ACT REGARDING SETTLEMENT DISPOSITION IN CONSUMER PROTECTION LAWSUITS BROUGHT BY THE ATTORNEY GENERAL; AND FOR OTHER PURPOSES.

Subtitle

REGARDING SETTLEMENT DISPOSITION IN CONSUMER PROTECTION LAWSUITS BROUGHT BY THE ATTORNEY GENERAL.

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

SECTION 1. Arkansas Code § 4-88-105(e), regarding a consumer protection investigation account managed by the Consumer Protection Division of the Office of the Attorney General, is amended to read as follows:

(e) The expenses of the division shall be paid from funds provided for that purpose by law, ~~including, without limiting the generality of the foregoing, limitation:~~

~~(1) funds made available by the state or by the United States, or by political subdivisions or agencies thereof.~~ Funds made available by the state, a state agency, or a state political subdivision;

(2) Funds made available by the United States Government or a federal agency; or

(3)(A) Funds deposited in a Consumer Education and Enforcement Account, managed by the division, from settlements or judgments in favor of the state related to a lawsuit or assurance of voluntary compliance in which the state was a party.

(B) The Consumer Education and Enforcement account shall



not carry a balance greater than one million dollars (\$1,000,000), and the funds in the account shall be used in a manner determined by the Attorney General, including without limitation:

- (i) Litigation support;
- (ii) Expert witness fees;
- (iii) Court filing fees;
- (iv) Process server fees;
- (v) Witness fees;
- (vi) Court costs;
- (vii) Court reporter fees;
- (viii) Attorney and staff training;
- (ix) Travel expenses;
- (x) Consumer education;
- (xi) Office expenses and improvements; and
- (xii) Investigation expenses.

SECTION 2. DO NOT CODIFY. Temporary legislation.

(a) As used in this section, "state agency" includes without limitation:

- (1) A state agency, office, or department;
- (2) A board or commission; and
- (3) A public college or university.

(b) 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 settlement or judgment, the Attorney General shall distribute the funds in the following manner:

- (1) Restitution to Arkansas consumers or state agencies, or for other purposes, as designated by the court order or settlement agreement;
- (2) Designation of 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); or
- (4) Payment into the Consumer Education and Enforcement Account, as authorized by § 4-88-105.

(c)(1) Funds to be distributed as described in subdivisions (b)(2) – (4) shall be distributed in the manner prescribed by this section within one

hundred twenty (120) days of the receipt of the funds.

(2) Restitution funds shall be distributed to Arkansas consumers as soon as is practicable and in accordance with any applicable court order.

(d)(1) The office of the Attorney General shall on a quarterly basis provide to the Legislative Council or Joint Budget Committee a report 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 office of the Attorney General for each court order or settlement agreement;

(C) A plan for disbursement of the funds;

(D) The purpose for which the funds are used, subject to the exclusions under § 4-88-111 and § 25-1-403(1)(B);

(E) If funds received from a court order or settlement agreement are given to a specific entity by the office of the Attorney General, the name of the entity and:

(i) If the court order or settlement agreement directs funds to a specific entity, a summary of input regarding the drafting of the court order or settlement agreement; or

(ii) If a court order or settlement agreement does not direct funds to a specific entity, a rationale for disbursing funds to a specific entity; and

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

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

(4) The reporting requirements of this section shall be in effect from July 1, 2013, through June 30, 2014.