

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

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

SENATE BILL 145

By: Senator B. King

For An Act To Be Entitled

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

Subtitle

TO AMEND ARKANSAS LAW CONCERNING THE ALLOCATION OF FUNDS RESULTING FROM LITIGATION INVOLVING THE USE OF FUNDS FROM THE GENERAL IMPROVEMENT FUND OR ITS SUCCESSOR FUND OR FUND ACCOUNTS.

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 funds.

(a) ~~When~~ Except as otherwise provided in subsection (d) of this section, 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 Attorney General shall create and maintain accounts as necessary to receive the funds.

(b) ~~The~~ Except as otherwise provided in subsection (d) of this section, 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.

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

(1) Crime reduction and prevention programs; and

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