

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013

A Bill

SENATE BILL 867

4
5 By: Senator Teague

For An Act To Be Entitled

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

Subtitle

14 REGARDING SETTLEMENT DISPOSITION IN
15 CONSUMER PROTECTION LAWSUITS BROUGHT BY
16 THE ATTORNEY 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 § 4-88-105(e), regarding a consumer
22 protection investigation account managed by the Consumer Protection Division
23 of the Office of the Attorney General, is amended to read as follows:

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

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

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

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

36 (B) The Consumer Education and Enforcement account shall



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

- 4 (i) Litigation support;
- 5 (ii) Expert witness fees;
- 6 (iii) Court filing fees;
- 7 (iv) Process server fees;
- 8 (v) Witness fees;
- 9 (vi) Court costs;
- 10 (vii) Court reporter fees;
- 11 (viii) Attorney and staff training;
- 12 (ix) Travel expenses;
- 13 (x) Consumer education;
- 14 (xi) Office expenses and improvements; and
- 15 (xii) Investigation expenses.

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17 SECTION 2. DO NOT CODIFY. Temporary legislation.

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

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

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

- 27 (1) Restitution to Arkansas consumers or state agencies, or for
28 other purposes, as designated by the court order or settlement agreement;
- 29 (2) Designation of cash funds to a state agency having a nexus
30 to the underlying litigation;
- 31 (3) Payment of attorney's fees or civil penalties under §§ 4-88-
32 113(a)(1), 4-88-113(c), or 4-88-113(e); or
- 33 (4) Payment into the Consumer Education and Enforcement Account,
34 as authorized by § 4-88-105.

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

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

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

4 (d)(1) The office of the Attorney General shall on a quarterly basis
5 provide to the Legislative Council or Joint Budget Committee a report of all
6 cash funds received from court orders or settlement agreements.

7 (2) The report shall include:

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

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

12 (C) A plan for disbursement of the funds;

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

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

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

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

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

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

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

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