

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 84th General Assembly  
3 Regular Session, 2003  
4

# A Bill

Act 759 of 2003  
HOUSE BILL 2180

5 By: Representative Hutchinson  
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## For An Act To Be Entitled

9 AN ACT TO LIMIT THE SIZE OF THE SECURITIES  
10 DEPARTMENT FUND AND TO CREATE THE INVESTOR  
11 EDUCATION FUND; AND FOR OTHER PURPOSES.  
12

## Subtitle

13 TO LIMIT THE SIZE OF THE SECURITIES  
14 DEPARTMENT FUND AND TO CREATE THE  
15 INVESTOR EDUCATION FUND.  
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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 § 23-42-211(a) is amended to read as follows:

22 (a) (1) There is ~~hereby~~ created on the books of the Chief Fiscal  
23 Officer of the State, the Auditor of State, and ~~those of~~ the Treasurer of  
24 State a fund to be known as the "Securities Department Fund".

25 (2) ~~Such~~ The fund shall be used for the maintenance, operation,  
26 support, and improvement of the State Securities Department in carrying out  
27 its functions, powers, and duties as set out by law and by rule and  
28 regulation not inconsistent with law.

29 (3) ~~Such~~ The fund shall consist of those portions of fees  
30 designated for deposit ~~herein~~ into the fund pursuant to §§ 23-42-304(a)(2)  
31 and (a)(4) and 23-42-404(b)(1) and such other funds as may be provided by law  
32 or regulatory action.

33 (4) Notwithstanding subdivision (a)(3) of this section, no more  
34 than one million dollars (\$1,000,000) shall be deposited into the Securities  
35 Department Fund in any one (1) fiscal year until July 1, 2011, at which time  
36 this limitation shall expire unless extended.



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 2 SECTION 2. Subchapter 2 of Chapter 42 of Title 23 of the Arkansas Code  
 3 is amended by adding a section to the end to read as follows:

4 23-42-213. Disposition of fines - Investor Education.

5 (a) There is created on the books of the Chief Fiscal Officer of the  
 6 State, the Auditor of State, and the Treasurer of State, a fund to be known  
 7 as the "Investor Education Fund".

8 (b) Except as provided by subsection (c), all fines imposed and  
 9 collected or moneys collected in lieu of a fine under §§ 23-42-209 and 23-42-  
 10 308 shall be deposited as special revenues into the State Treasury and  
 11 credited to the Investor Education Fund, to be administered by the  
 12 commissioner for the following purposes:

13 (1) To inform and educate the public regarding investments in  
 14 securities in order to help investors and potential investors:

15 (A) Evaluate their investment decisions;

16 (B) Protect themselves from unfair, inequitable, or  
 17 fraudulent offerings;

18 (C) Choose their broker-dealers, agents, and investment  
 19 advisers more carefully;

20 (D) Be alert for false or misleading advertising or other  
 21 harmful practices; and

22 (E) Know their rights as investors; and

23 (2) To pay for:

24 (A) Costs, expenses, and charges incurred by the  
 25 Securities Department in connection with the presentation and dissemination  
 26 of information to the public as described in this section, including costs of  
 27 printing copies of the Arkansas Securities Act, Rules of the Arkansas  
 28 Securities Commissioner, and other materials designed to inform the public as  
 29 set forth in this section;

30 (B) Costs of advertising and promotional materials  
 31 designed to accomplish the purposes of this subdivision (b)(2); and

32 (C) Costs of equipment necessary or useful for such  
 33 presentations; and

34 (D) Costs and expenses associated with conducting a stock  
 35 market game for educational purposes in selected schools in the state's  
 36 public school system.

1           (c)(1) The Investor Education Fund shall be funded initially by the  
2 transfer of one hundred thousand dollars (\$100,000) from the Securities  
3 Department Fund.

4           (2) All funds in excess of one hundred fifty thousand dollars  
5 (\$150,000) collected in any one (1) fiscal year shall be designated as  
6 special revenues and deposited in the Securities Department Fund.

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