

INTERIM STUDY PROPOSAL 2019-161

REQUESTING THAT THE ARKANSAS LEGISLATIVE COUNCIL REFER TO THE SENATE COMMITTEE ON STATE AGENCIES AND GOVERNMENTAL AFFAIRS A STUDY CONCERNING THE DEPOSIT, DISTRIBUTION, AND USE OF FUNDS RECEIVED FROM SETTLEMENTS OR JUDGMENTS IN LAWSUITS IN WHICH THE STATE IS A PARTY RECEIVING ALL OR PART OF THE SETTLEMENT OR JUDGMENT; THE TRANSPARENCY OF AND ACCOUNTABILITY FOR THE ATTORNEY GENERAL'S USE AND DISBURSEMENT OF THE FUNDS RECEIVED FROM SETTLEMENTS OR JUDGMENTS IN LAWSUITS IN WHICH THE STATE IS A PARTY RECEIVING ALL OR PART OF THE SETTLEMENT OR JUDGMENT; AND THE REPORTING REQUIRED IN RELATION TO THE CASH FUNDS RECEIVED FROM COURTS ORDERS AND SETTLEMENT AGREEMENTS.

WHEREAS, 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 funds received under the settlement or judgment are distributed as required by the court order or settlement agreement; and

WHEREAS, under current law, if the court order or settlement agreement does not provide for the distribution of funds awarded under the court order or settlement agreement, the Attorney General is required to distribute the funds to a state agency that has nexus to the underlying litigation, use the funds to pay certain attorneys' fees or civil penalties, or pay the funds into the Consumer Education and Enforcement Account; and

WHEREAS, the Consumer Education and Enforcement Account may be used for a wide variety of purposes, as determined by the Attorney General, including without limitation costs and fees related to litigation, attorney and staff training, travel expenses, and consumer education; and

WHEREAS, the Attorney General is required to provide to the Legislative Council or Joint Budget Committee a quarterly report of all cash funds received from court orders or settlement agreements,

NOW THEREFORE,

1 BE IT PROPOSED BY THE ARKANSAS LEGISLATIVE COUNCIL OF THE NINETY-SECOND
2 GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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4 THAT the Arkansas Legislative Council refer to the Senate Committee on
5 State Agencies and Governmental Affairs a study of:

6 (1) The deposit, distribution, and use of funds received from
7 settlements or judgments in lawsuits in which the state is a party receiving
8 all or part of the settlement or judgment;

9 (2) The transparency of and the accountability for the Attorney
10 General's use and disbursement of funds received from settlements or
11 judgments in lawsuits in which the state is a party receiving all or part of
12 the settlement or judgment; and

13 (3) The reporting required in relation to the cash funds
14 received from court orders and settlement agreements.

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17 Respectfully submitted,

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21 Senator Kim Hammer
22 District 33

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24 Prepared by: JLL/JLL
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