

## MEMO

**TO:** OAL Directors

**FROM:** OAL Legal

**DATE:** June 11, 2025

**RE:** Act 943 of 2025 (HB1604) - Promotional Item Purchases

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### Issue:

How does Act 943 of 2025 affect OAL's purchases of promotional items?

### Conclusion

**Act 943 of 2025 and its restriction on purchasing promotional items made in China do not apply to OAL.**

### Analysis

Act 943 of 2025 added a new statute, Arkansas Code § 25-1-1204, regarding prohibited actions of state agencies. The new statute states that “a state agency shall not spend public funds to purchase promotional items made in the People's Republic of China.”

State agency, as it is used in § 25-1-1204, is defined as “an agency, institution, authority, department, board, commission, bureau, council, or other agency of the state *supported by appropriation of state or federal funds.*” (See Arkansas Code § 19-61-103(30), emphasis added.) OAL is a “self-supporting and revenue-raising agency of the state” and “moneys in the General Revenue Fund Account of the State Apportionment Fund shall not be used or obligated to pay the expenses of the office or prizes of a lottery.” (See Arkansas Code §§ 23-115-201(b) and 23-115-803(b)(2)(A).) Also, lottery proceeds are not “subject to appropriation by the General Assembly and are specifically declared to be cash funds held in trust separate and apart from the State treasury.” Therefore, because OAL is not supported by appropriation of state or federal funds it does not constitute a state agency as used in § 25-1-1204 and the Act does not apply to OAL.