

HOUSE RESEARCH

Bill Summary

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Overview

Under current law, money recovered by the state in litigation or in a settlement must be deposited in the state general fund (with certain exceptions). The current law expires June 30, 2004. This bill makes the current law permanent by repealing the sunset clause.

Section

- 1** **Repealer.** Repeals the sunset clause in Minnesota Statutes, section 16A.151, subdivision 5, so that section 16A.151 would become permanent. The section currently provides as follows:

16A.151 PROCEEDS OF LITIGATION OR SETTLEMENT.

Subdivision 1. State funds; general fund. (a) This subdivision applies, notwithstanding any law to the contrary, except as provided in subdivision 2.

(b) A state official may not commence, pursue, or settle litigation, or settle a matter that could have resulted in litigation, in a manner that would result in money being distributed to a person or entity other than the state.

(c) Money recovered by a state official in litigation or in settlement of a matter that could have resulted in litigation is state money and must be deposited in the general fund.

Subd. 2. Exceptions. (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

Section

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

Subd. 3. Definitions. For purposes of this section:

(1) "litigation" includes civil, criminal, and administrative actions;

(2) "money recovered" includes actual damages, punitive or exemplary damages, statutory damages, and civil and criminal penalties; and

(3) "state official" means the attorney general, another constitutional officer, an agency, or an agency employee, acting in official capacity.

Subd. 4. Supersede. This section supersedes section 8.31, subdivision 2c.

Subd. 5. Expiration. This section expires June 30, 2004.