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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 645

1.1 A bill for an act
1.2 relating to state government; providing for disposition of certain money recovered
1.3 from litigation or settlement of environmental permit violations; amending
1.4 Minnesota Statutes 2022, section 16A.151, subdivision 2.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2022, section 16A.151, subdivision 2, is amended to read:

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

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

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

1.19 (d) State agencies may accept funds as directed by a federal court for any restitution or
1.20 monetary penalty under United States Code, title 18, section 3663(a)(3), or United States
1.21 Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue
1.22 account and are appropriated to the commissioner of the agency for the purpose as directed
1.23 by the federal court.

2.1 (e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph
2.2 (t), may be deposited as provided in section 16A.98, subdivision 12.

2.3 (f) Any money received by the state resulting from a settlement agreement or an assurance
2.4 of discontinuance entered into by the attorney general of the state, or a court order in litigation
2.5 brought by the attorney general of the state, on behalf of the state or a state agency, related
2.6 to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids
2.7 in this state or other alleged illegal actions that contributed to the excessive use of opioids,
2.8 must be deposited in the settlement account established in the opiate epidemic response
2.9 fund under section 256.043, subdivision 1. This paragraph does not apply to attorney fees
2.10 and costs awarded to the state or the Attorney General's Office, to contract attorneys hired
2.11 by the state or Attorney General's Office, or to other state agency attorneys.

2.12 (g) Notwithstanding paragraph (f), if money is received from a settlement agreement or
2.13 an assurance of discontinuance entered into by the attorney general of the state or a court
2.14 order in litigation brought by the attorney general of the state on behalf of the state or a state
2.15 agency against a consulting firm working for an opioid manufacturer or opioid wholesale
2.16 drug distributor, the commissioner shall deposit any money received into the settlement
2.17 account established within the opiate epidemic response fund under section 256.042,
2.18 subdivision 1. Notwithstanding section 256.043, subdivision 3a, paragraph (a), any amount
2.19 deposited into the settlement account in accordance with this paragraph shall be appropriated
2.20 to the commissioner of human services to award as grants as specified by the opiate epidemic
2.21 response advisory council in accordance with section 256.043, subdivision 3a, paragraph
2.22 (d).

2.23 (h) If the Minnesota Pollution Control Agency, through litigation or settlement of a
2.24 matter that could have resulted in litigation, recovers \$250,000 or more in a civil penalty
2.25 from violations of a permit issued by the agency, then 40 percent of the money recovered
2.26 must be distributed to the community health board, as defined in section 145A.02, where
2.27 the permitted facility is located. Within 30 days of a final court order in the litigation or the
2.28 effective date of the settlement agreement, the commissioner of the Minnesota Pollution
2.29 Control Agency must notify the applicable community health board that the litigation has
2.30 concluded or a settlement has been reached. The commissioner must collect the money and
2.31 transfer it to the applicable community health board. The community health board must
2.32 meet directly with the residents potentially affected by the pollution that was the subject of
2.33 the litigation or settlement to identify the residents' concerns and incorporate those concerns
2.34 into a project that benefits the residents. The project must be implemented by the community
2.35 health board and funded as directed in this paragraph. The community health board may

3.1 recover the reasonable costs it incurs to administer this paragraph from the funds transferred
3.2 to the board under this paragraph. This paragraph directs the transfer and use of money only
3.3 and does not create a right of intervention in the litigation or settlement of the enforcement
3.4 action for any person or entity.

3.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and
3.6 applies to all litigation actions or settlements from which the Minnesota Pollution Control
3.7 Agency recovers \$250,000 or more on or after that date.