

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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HOUSE BILL 606

Short Title: Prohibit Collusive Settlements by the AG. (Public)

Sponsors: Representatives McNeill, Torbett, Sauls, and Warren (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Judiciary 1, if favorable, Rules, Calendar, and Operations of the House

April 21, 2021

A BILL TO BE ENTITLED

AN ACT TO REQUIRE JOINT APPROVAL FROM THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT PRO TEMPORE OF THE SENATE BEFORE THE ATTORNEY GENERAL MAY ENTER INTO A CONSENT JUDGMENT OR SETTLEMENT AGREEMENT IN A DISPUTE, CLAIM, OR CONTROVERSY IN WHICH THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT PRO TEMPORE OF THE SENATE HAVE INTERVENED OR ARE OTHERWISE NAMED PARTIES AND TO REQUIRE THAT SETTLEMENT AGREEMENTS BE SATISFIED WITH FUNDS THAT ARE AVAILABLE FOR THAT PURPOSE FOR THE CURRENT FISCAL YEAR.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 114-2.2 reads as rewritten:

"§ 114-2.2. ~~Consent~~ Approval of consent judgments.

...

(a2) Where a dispute, claim, or controversy is challenging a North Carolina statute or provision of the North Carolina Constitution, and the Speaker of the House of Representatives and the President Pro Tempore of the Senate (i) have jointly intervened on behalf of the General Assembly in accordance with G.S. 1-72.2, (ii) are joined as defendants in accordance with G.S. 1A-1, Rule 19(d), or (iii) are otherwise jointly named in their official capacities as parties to the dispute, claim, or controversy, a consent judgment shall be jointly approved by the Speaker of the House of Representatives and the President Pro Tempore of the Senate, or by and through counsel of their choice, before the judgment may be entered.

...."

SECTION 2. G.S. 114-2.4 reads as rewritten:

"§ 114-2.4. **Settlement agreements.**

...

(a2) Where a dispute, claim, or controversy is challenging a North Carolina statute or provision of the North Carolina Constitution, and the Speaker of the House of Representatives and the President Pro Tempore of the Senate (i) have intervened on behalf of the General Assembly in accordance with G.S. 1-72.2, (ii) are joined as defendants in accordance with G.S. 1A-1, Rule 19(d), or (iii) are otherwise jointly named in their official capacities as parties to the dispute, claim, or controversy, a proposed settlement agreement or other agreement that would dispose of the dispute, claim, or controversy shall be jointly approved by the Speaker of the House of Representatives and the President Pro Tempore of the Senate, or by and through counsel of their choice, before the agreement may be entered.



1 (a3) In litigation in which the State is interested or is a party, no settlement agreement shall
2 be entered into by the State unless and no settlement agreement shall be binding on the State
3 except to the extent that the State's entire obligation for the current and for future fiscal years will
4 be satisfied with funds that are available for that purpose for the current fiscal year, including
5 funds that the Council of State agrees to allot from the Contingency and Emergency Fund,
6 provided that for payments of tort claims and workers' compensation claims it shall not be
7 binding on the State except to the extent that the State's entire obligation for the current and for
8 future fiscal years can be satisfied with funds that are available for the current fiscal year,
9 including funds that the Council of State agrees to allot from the Contingency and Emergency
10 Fund. The Director of the Budget shall report to the appropriation committees of the General
11 Assembly concerning all funds made available during the preceding fiscal year from the
12 Contingency and Emergency Fund for the purpose of carrying out settlement agreements.

13 "

14 **SECTION 3.** This act becomes effective October 1, 2021, and applies to disputes,
15 claims, and controversies arising on or after that date.