

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 606  
Committee Substitute Favorable 5/5/21

Short Title: Prohibit Collusive Settlements by the AG.

(Public)

Sponsors:

Referred to:

April 21, 2021

A BILL TO BE ENTITLED

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

10 The General Assembly of North Carolina enacts:

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

12 "**§ 114-2.2. ~~Consent~~ Approval of consent judgments.**

13 ...

14 (a2) Where a dispute, claim, or controversy is challenging a North Carolina statute or  
15 provision of the North Carolina Constitution, and the Speaker of the House of Representatives  
16 and the President Pro Tempore of the Senate (i) have jointly intervened on behalf of the General  
17 Assembly in accordance with G.S. 1-72.2, (ii) are joined as defendants in accordance with  
18 G.S. 1A-1, Rule 19(d) or G.S. 120-32.6, or (iii) are otherwise jointly named in their official  
19 capacities as parties to the dispute, claim, or controversy, a consent judgment shall be jointly  
20 approved by the Speaker of the House of Representatives and the President Pro Tempore of the  
21 Senate, or by and through counsel of their choice, before the judgment may be entered.

22 ...."

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

24 "**§ 114-2.4. Settlement agreements.**

25 ...

26 (a2) Where a dispute, claim, or controversy is challenging a North Carolina statute or  
27 provision of the North Carolina Constitution, and the Speaker of the House of Representatives  
28 and the President Pro Tempore of the Senate (i) have intervened on behalf of the General  
29 Assembly in accordance with G.S. 1-72.2, (ii) are joined as defendants in accordance with  
30 G.S. 1A-1, Rule 19(d) or G.S. 120-32.6, or (iii) are otherwise jointly named in their official  
31 capacities as parties to the dispute, claim, or controversy, a proposed settlement agreement or  
32 other agreement that would dispose of the dispute, claim, or controversy shall be jointly approved  
33 by the Speaker of the House of Representatives and the President Pro Tempore of the Senate, or  
34 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.