

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 696

Introduced by Conrad, 46.

Read first time January 18, 2023

Committee:

- 1 A BILL FOR AN ACT relating to settlement funds; to amend sections
- 2 59-1608.04 and 59-1608.05, Reissue Revised Statutes of Nebraska; to
- 3 change provisions relating to the State Settlement Cash Fund and
- 4 State Settlement Trust Fund; to provide for legislative oversight;
- 5 and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 59-1608.04, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 59-1608.04 (1)(a) ~~(1)~~ The State Settlement Cash Fund is created.
4 The fund shall be maintained by the Department of Justice and
5 administered by the Attorney General. Except as otherwise provided by
6 law, the fund shall consist of:

7 (i) All ~~all~~ recoveries received pursuant to the Consumer Protection
8 Act, including any money, funds, securities, or other things of value in
9 the nature of civil damages or other payment, except criminal penalties,
10 whether such recovery is by way of verdict, judgment, compromise, or
11 settlement in or out of court, or other final disposition of any case or
12 controversy; and

13 (ii) Any ~~, or any~~ other payments received on behalf of the state by
14 the Department of Justice and administered by the Attorney General for
15 the benefit of the state or the general welfare of its citizens. ; ~~τ~~

16 (b) The State Settlement Cash Fund shall not include any ~~but~~
17 ~~excluding all~~ funds held in a trust capacity where specific benefits
18 accrue to specific individuals, organizations, or governments. ~~The fund~~
19 ~~may be expended for any allowable legal purposes as determined by the~~
20 ~~Attorney General.~~

21 (2) All money in the State Settlement Cash Fund shall be subject to
22 legislative review and shall be appropriated and expended for any
23 allowable legal purposes as determined by the Legislature. The fund shall
24 only be appropriated to a separate and distinct budget program and such
25 appropriations shall only be expended from a separate and distinct budget
26 subprogram and shall not be commingled with any other revenue or
27 expenditure.

28 (3) Transfers from the State Settlement Cash Fund may be made at the
29 direction of the Legislature to the Nebraska Capital Construction Fund,
30 the Legal Education for Public Service and Rural Practice Loan Repayment
31 Assistance Fund, and the General Fund.

1 (4) To provide necessary financial accountability and management
2 oversight, revenue from individual settlement agreements or other
3 separate sources credited to the State Settlement Cash Fund may be
4 tracked and accounted for within the state accounting system through the
5 use of separate and distinct funds, subfunds, or any other available
6 accounting mechanism specifically approved by the Accounting
7 Administrator for use by the Department of Justice.

8 (5) Any money in the fund available for investment shall be invested
9 by the state investment officer pursuant to the Nebraska Capital
10 Expansion Act and the Nebraska State Funds Investment Act.

11 ~~(2) The State Treasurer shall transfer two million five hundred~~
12 ~~thousand dollars from the State Settlement Cash Fund to the Nebraska~~
13 ~~Capital Construction Fund on July 1, 2013, or as soon thereafter as~~
14 ~~administratively possible.~~

15 ~~(3) The State Treasurer shall transfer eight hundred seventy-six~~
16 ~~thousand nine hundred ninety-eight dollars from the State Settlement Cash~~
17 ~~Fund to the General Fund on or before June 30, 2018, on such dates and in~~
18 ~~such amounts as directed by the budget administrator of the budget~~
19 ~~division of the Department of Administrative Services.~~

20 ~~(4) The State Treasurer shall transfer one million seven hundred~~
21 ~~fifty-six thousand six hundred thirty-nine dollars from the State~~
22 ~~Settlement Cash Fund to the General Fund on or before June 30, 2019, on~~
23 ~~such dates and in such amounts as directed by the budget administrator of~~
24 ~~the budget division of the Department of Administrative Services.~~

25 ~~(5) The State Treasurer shall transfer one hundred twenty-five~~
26 ~~thousand dollars from the State Settlement Cash Fund to the Legal~~
27 ~~Education for Public Service and Rural Practice Loan Repayment Assistance~~
28 ~~Fund on or before April 30, 2018, on such dates and in such amounts as~~
29 ~~directed by the budget administrator of the budget division of the~~
30 ~~Department of Administrative Services.~~

31 ~~(6) The State Treasurer shall transfer one hundred fifty thousand~~

1 ~~dollars from the State Settlement Cash Fund to the Legal Education for~~
2 ~~Public Service and Rural Practice Loan Repayment Assistance Fund on or~~
3 ~~before July 9, 2018, on such dates and in such amounts as directed by the~~
4 ~~budget administrator of the budget division of the Department of~~
5 ~~Administrative Services.~~

6 Sec. 2. Section 59-1608.05, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 59-1608.05 (1)(a) The State Settlement Trust Fund is created. The
9 fund shall be maintained by the Department of Justice and administered by
10 the Attorney General. Except as otherwise provided by law and subject to
11 subdivision (1)(b) of this section, the fund shall consist of:

12 (i) All ~~all~~ recoveries received pursuant to the Consumer Protection
13 Act, including any money, funds, securities, or other things of value in
14 the nature of civil damages or other payment, except criminal penalties,
15 whether such recovery shall be by way of verdict, judgment, compromise,
16 or settlement in or out of court, or other final disposition of any case
17 or controversy; and

18 (ii) Any ~~, or any~~ other payments received on behalf of the state by
19 the Department of Justice and administered by the Attorney General. ~~, but~~
20 ~~to~~

21 (b) The State Settlement Trust Fund shall include only those funds
22 held in a trust capacity where specific benefits accrue to specific
23 individuals, organizations, or governments.

24 (2) All money in the State Settlement Trust Fund shall be subject to
25 legislative review, but shall not be subject to legislative
26 appropriation. The fund shall be expended consistent with any legal
27 restrictions placed on the funds. The fund shall be paid from the same
28 budget program used to record revenue and expenditures of the State
29 Settlement Cash Fund, except that the fund shall only be expended from a
30 separate and distinct budget subprogram and shall not be commingled with
31 any other revenue or expenditure.

1 (3) To provide necessary financial accountability and management
2 oversight, revenue from individual settlement agreements or other
3 separate sources credited to the fund may be tracked and accounted for
4 within the state accounting system through the use of separate and
5 distinct funds, subfunds, or any other available accounting mechanism
6 specifically approved by the Accounting Administrator for use by the
7 Department of Justice.

8 (4) Any money in the fund available for investment shall be invested
9 by the state investment officer pursuant to the Nebraska Capital
10 Expansion Act and the Nebraska State Funds Investment Act.

11 Sec. 3. Original sections 59-1608.04 and 59-1608.05, Reissue
12 Revised Statutes of Nebraska, are repealed.