

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 728

Introduced by Mello, 5; Schumacher, 22.

Read first time January 04, 2012

Committee: Appropriations

A BILL

1 FOR AN ACT relating to funds; to amend section 59-1608.05, Reissue
2 Revised Statutes of Nebraska, and section 59-1608.04,
3 Revised Statutes Supplement, 2011; to provide for the
4 distribution of money received by the state due to a
5 settlement or court order or judgment as prescribed; to
6 provide legislative review and appropriation requirements
7 for the State Settlement Cash Fund; to change provisions
8 relating to the use of the State Settlement Trust Fund;
9 to provide a duty for the Revisor of Statutes; and to
10 repeal the original sections.

11 Be it enacted by the people of the State of Nebraska,

1 Section 1. Except as otherwise specifically provided by
2 statute or court order or judgment, all money received by the state
3 from an out-of-court settlement or court order or judgment shall be
4 remitted to the State Treasurer for distribution in accordance with
5 Article VII, section 5, of the Constitution of Nebraska. Instructions
6 for any money so received that is not to be distributed in accordance
7 with Article VII, section 5, of the Constitution of Nebraska shall
8 include the specific fund created by the Legislature to which the
9 State Treasurer shall credit the money.

10 Sec. 2. Section 59-1608.04, Revised Statutes Supplement,
11 2011, is amended to read:

12 59-1608.04 The State Settlement Cash Fund is created. The
13 fund shall be maintained by the Department of Justice and
14 administered by the Attorney General. Except as otherwise provided by
15 law, the fund shall consist of all recoveries received pursuant to
16 the Consumer Protection Act, including any money, funds, securities,
17 or other things of value in the nature of civil damages or other
18 payment, except criminal penalties, whether such recovery is by way
19 of verdict, judgment, compromise, or settlement in or out of court,
20 or other final disposition of any case or controversy. All money in
21 the fund shall be subject to legislative review and shall be
22 appropriated and expended for any allowable legal purposes as
23 determined by the Legislature. The fund shall only be appropriated to
24 a separate and distinct budget program and such appropriations shall
25 only be expended from a separate and distinct budget subprogram and

1 shall not be commingled with any other revenue or expenditure.
2 Transfers may be made from the fund to the General Fund and the State
3 DNA Sample and Data Base Fund at the direction of the Legislature. 7
4 ~~or any other payments received on behalf of the state by the~~
5 ~~Department of Justice and administered by the Attorney General for~~
6 ~~the benefit of the state or the general welfare of its citizens, but~~
7 ~~excluding all funds held in a trust capacity where specific benefits~~
8 ~~accrue to specific individuals, organizations, or governments. The~~
9 ~~fund may be expended for any allowable legal purposes as determined~~
10 ~~by the Attorney General.~~ To provide necessary financial
11 accountability and management oversight, revenue from individual
12 settlement agreements or other separate sources credited to the State
13 Settlement Cash Fund may be tracked and accounted for within the
14 state accounting system through the use of separate and distinct
15 funds, subfunds, or any other available accounting mechanism
16 specifically approved by the Accounting Administrator ~~for use by the~~
17 ~~Department of Justice.~~ of the Department of Administrative Services.
18 Any money in the fund available for investment shall be invested by
19 the state investment officer pursuant to the Nebraska Capital
20 Expansion Act and the Nebraska State Funds Investment Act.

21 Sec. 3. Section 59-1608.05, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 59-1608.05 The State Settlement Trust Fund is created.
24 The fund shall be maintained by the Department of Justice and
25 administered by the Attorney General. Except as otherwise provided by

1 law, the fund shall consist of all recoveries received pursuant to
2 the Consumer Protection Act, including any money, funds, securities,
3 or other things of value in the nature of civil damages or other
4 payment, except criminal penalties, whether such recovery shall be by
5 way of verdict, judgment, compromise, or settlement in or out of
6 court, or other final disposition of any case or controversy, ~~or~~
7 ~~any other payments received on behalf of the state by the Department~~
8 ~~of Justice and administered by the Attorney General, but to include~~
9 ~~only those funds held in a trust capacity where specific benefits~~
10 ~~accrue to specific individuals, organizations, or governments. All~~
11 money in the State Settlement Trust Fund shall be subject to
12 legislative review, but shall not be subject to legislative
13 appropriation. The fund shall be expended consistent with any legal
14 restrictions placed on the funds. The fund shall be paid from the
15 same budget program used to record revenue and expenditures of the
16 State Settlement Cash Fund, except that the fund shall only be
17 expended from a separate and distinct budget subprogram and shall not
18 be commingled with any other revenue or expenditure. To provide
19 necessary financial accountability and management oversight, revenue
20 from individual settlement agreements or other separate sources
21 credited to the fund may be tracked and accounted for within the
22 state accounting system through the use of separate and distinct
23 funds, subfunds, or any other available accounting mechanism
24 specifically approved by the Accounting Administrator ~~for use by the~~
25 ~~Department of Justice. of the Department of Administrative Services.~~

1 Any money in the fund available for investment shall be invested by
2 the state investment officer pursuant to the Nebraska Capital
3 Expansion Act and the Nebraska State Funds Investment Act.

4 Sec. 4. The Revisor of Statutes shall assign section 1 of
5 this act to Chapter 25.

6 Sec. 5. Original section 59-1608.05, Reissue Revised
7 Statutes of Nebraska, and section 59-1608.04, Revised Statutes
8 Supplement, 2011, are repealed.