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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. **644**

02/01/2021 Authored by Lee, Wazlawik, Her, Davnie, Lippert and others

The bill was read for the first time and referred to the Committee on State Government Finance and Elections

02/25/2021 By motion, recalled and re-referred to the Committee on Environment and Natural Resources Finance and Policy

- 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 2020, section 16A.151, subdivision 2.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2020, 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.

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

(f) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, against one or more opioid manufacturers or opioid wholesale drug distributors related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, must be deposited in a separate account in the state treasury and the commissioner shall notify the chairs and ranking minority members of the Finance Committee in the senate and the Ways and Means Committee in the house of representatives that an account has been created. This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney General's Office, to contract attorneys hired by the state or Attorney General's Office, or to other state agency attorneys. If the licensing fees under section 151.065, subdivision 1, clause (16), and subdivision 3, clause (14), are reduced and the registration fee under section 151.066, subdivision 3, is repealed in accordance with section 256.043, subdivision 4, then the commissioner shall transfer from the separate account created in this paragraph to the opiate epidemic response fund under section 256.043 an amount that ensures that \$20,940,000 each fiscal year is available for distribution in accordance with section 256.043, subdivisions 2 and 3.

(g) If the Minnesota Pollution Control Agency recovers \$250,000 or more in litigation or in settlement of a matter that could have resulted in litigation for a civil penalty from violations of a permit issued by the Minnesota Pollution Control Agency, then 40 percent of the money recovered must be distributed to the community health board, as defined in section 145A.02, where the permitted facility is located. The commissioner of the Minnesota Pollution Control Agency must notify the commissioner of health and the community health board within 30 days of a final court order in the litigation or the effective date of the settlement agreement that the litigation has concluded or a settlement has been reached. The commissioner must collect and distribute the money to the commissioner of health. The commissioner of health must distribute the money to the community health board. The community health board must meet directly with the population potentially affected by the pollution that was the subject of the litigation or settlement to understand the population's concerns and incorporate those concerns into a project that benefits that population. The project must be implemented by the community health board and funded as directed in this paragraph. This paragraph does not apply to money recovered in litigation or settlement of

3.1 a matter that could have resulted in litigation with subdivisions of the state. This paragraph
3.2 is for the distribution of money only and does not create a right of intervention in the litigation
3.3 or settlement of the enforcement action for any person or entity.

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