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State of Minnesota
HOUSE OF REPRESENTATIVES
First Division Engrossment

NINETY-FIRST SESSION

H. F. No. 1058

02/11/2019 Authored by Halverson, Loeffler, Fischer, Freiberg, Elkins and others
The bill was read for the first time and referred to the Committee on Ways and Means

Division Action

03/03/2020 *Referred by Chair to the Health and Human Services Finance Division
Division action, to adopt as amended and return to the Committee on Ways and Means*

1.1 A bill for an act
1.2 relating to health; requiring certain litigation proceeds to be appropriated to the
1.3 commissioner of health and used for tobacco use prevention activities; appropriating
1.4 money; amending Minnesota Statutes 2018, section 16A.151, subdivision 2;
1.5 proposing coding for new law in Minnesota Statutes, chapter 144.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2019 Supplement, section 16A.151, subdivision 2, is
1.8 amended to read:

1.9 Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific
1.10 injured persons or entities, this section does not prohibit distribution of money to the specific
1.11 injured persons or entities on whose behalf the litigation or settlement efforts were initiated.
1.12 If money recovered on behalf of injured persons or entities cannot reasonably be distributed
1.13 to those persons or entities because they cannot readily be located or identified or because
1.14 the cost of distributing the money would outweigh the benefit to the persons or entities, the
1.15 money must be paid into the general fund.

1.16 (b) Money recovered on behalf of a fund in the state treasury other than the general fund
1.17 may be deposited in that fund.

1.18 (c) This section does not prohibit a state official from distributing money to a person or
1.19 entity other than the state in litigation or potential litigation in which the state is a defendant
1.20 or potential defendant.

1.21 (d) State agencies may accept funds as directed by a federal court for any restitution or
1.22 monetary penalty under United States Code, title 18, section 3663(a)(3) or United States
1.23 Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue

2.1 account and are appropriated to the commissioner of the agency for the purpose as directed
2.2 by the federal court.

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

2.5 (f) Any money received by the state resulting from a settlement agreement or an assurance
2.6 of discontinuance entered into by the attorney general of the state, or a court order in litigation
2.7 brought by the attorney general of the state, on behalf of the state or a state agency, against
2.8 one or more opioid manufacturers or opioid wholesale drug distributors related to alleged
2.9 violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this
2.10 state or other alleged illegal actions that contributed to the excessive use of opioids, must
2.11 be deposited in a separate account in the state treasury and the commissioner shall notify
2.12 the chairs and ranking minority members of the Finance Committee in the senate and the
2.13 Ways and Means Committee in the house of representatives that an account has been created.
2.14 This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney
2.15 General's Office, to contract attorneys hired by the state or Attorney General's Office, or to
2.16 other state agency attorneys. If the licensing fees under section 151.065, subdivision 1,
2.17 clause (16), and subdivision 3, clause (14), are reduced and the registration fee under section
2.18 151.066, subdivision 3, is repealed in accordance with section 256.043, subdivision 4, then
2.19 the commissioner shall transfer from the separate account created in this paragraph to the
2.20 opiate epidemic response account under section 256.043 an amount that ensures that
2.21 \$20,940,000 each fiscal year is available for distribution in accordance with section 256.043,
2.22 subdivisions 2 and 3.

2.23 (g) Money recovered by or ordered to be paid to the state from one or more tobacco
2.24 product manufacturers, including future annual payments and arrears payments, under the
2.25 terms of a settlement or judgment from litigation regarding annual tobacco settlement
2.26 payments on transferred tobacco brands, shall be deposited in the tobacco use prevention
2.27 account under section 144.398. For purposes of this paragraph, "litigation regarding annual
2.28 tobacco settlement payments on transferred tobacco brands" has the meaning given in section
2.29 144.398, subdivision 3, paragraph (c).

2.30 **EFFECTIVE DATE.** This section is effective the day following final enactment and
2.31 applies to settlements reached or judgments entered on or after that date.

2.32 **Sec. 2. [144.398] TOBACCO USE PREVENTION ACCOUNT.**

2.33 Subdivision 1. **Account created.** A tobacco use prevention account is created in the
2.34 special revenue fund. The commissioner of management and budget shall deposit into the

3.1 account all money recovered by or ordered to be paid to the state from one or more tobacco
3.2 product manufacturers, including future annual payments and arrears payments, under the
3.3 terms of a settlement or judgment from litigation regarding annual tobacco settlement
3.4 payments on transferred tobacco brands.

3.5 Subd. 2. **Uses of money in account.** Each fiscal year, \$12,000,000 from the tobacco
3.6 use prevention account is appropriated to the commissioner of health for tobacco use
3.7 prevention activities in section 144.396. In the event that the balance in the tobacco use
3.8 prevention account is less than \$12,000,000 on July 1, all money in the account on that date
3.9 is appropriated to the commissioner of health for tobacco use prevention activities in section
3.10 144.396.

3.11 Subd. 3. **Definitions.** (a) The definitions in this subdivision apply to this section.

3.12 (b) "Consent judgment" has the meaning given in section 16A.98, subdivision 1,
3.13 paragraph (f).

3.14 (c) "Litigation regarding annual tobacco settlement payments on transferred tobacco
3.15 brands" means litigation between the state and certain tobacco product manufacturers related
3.16 to the obligation of these manufacturers to make past and future annual tobacco settlement
3.17 payments according to the settlement agreement and consent judgment in amounts that
3.18 include tobacco brands transferred from one or more tobacco product manufacturers to
3.19 another tobacco product manufacturer.

3.20 (d) "Settlement agreement" has the meaning given in section 16A.98, subdivision 1,
3.21 paragraph (h).

3.22 **EFFECTIVE DATE.** This section is effective the day following final enactment and
3.23 applies to settlements reached or judgments entered on or after that date.