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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH  
SESSION

HOUSE FILE No. **1165**

February 26, 2009

Authored by Seifert

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform,  
Technology and Elections

1.1 A bill for an act  
1.2 relating to state government; requiring certain settlements involving the state to  
1.3 be paid to the state general fund; amending Minnesota Statutes 2008, section  
1.4 16A.151, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2008, section 16A.151, subdivision 2, is amended to  
1.7 read:

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

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

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

1.20 (d) State agencies may accept funds as directed by a federal court for any restitution  
1.21 or monetary penalty under United States Code, title 18, section 3663(a)(3) or United  
1.22 States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special  
1.23 revenue account and are appropriated to the commissioner of the agency for the purpose  
1.24 as directed by the federal court.

2.1 ~~(c) Subdivision 1 does not apply to a recovery or settlement of less than \$750,000.~~

2.2 **EFFECTIVE DATE.** This section is effective August 1, 2009, and applies to

2.3 settlements agreed to or money recovered by a state official on or after that date.