



S.F. No. 3044 – Attorney General appropriations; creation of accounts for deposit of money from settlements or litigation

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Article 1 – Attorney General Appropriations

Article 1 appropriates money to the attorney general for fiscal years 2026 and 2027 from the general fund, the state government special revenue fund, the environmental fund, and the remediation fund.

Article 2 – Consumer Protection Policy

Article 2 creates two new accounts into which money recovered through court actions may be deposited:

- Consumer protection restitution account – for money recovered in an action for the benefit of an injured person(s), but where victims cannot be readily located or identified.
- Litigation or settlement account – for money recovered by a state official in litigation or settlement. Annually, money from this account will be transferred to the consumer litigation account (enacted in 2023 for multistate consumer litigation), up to a balance in the consumer litigation account of \$2,000,000, with the remainder, if any, transferred to the general fund.

Under current law, the money this bill proposes to deposit into these two funds is deposited into the general fund.

Section 1 [Undistributed money; 8.31, subd. 2c] authorizes the attorney general to determine if an amount recovered in an action brought by the attorney general on behalf of an injured person can reasonably be distributed to victims. If not, the attorney general or a court may deposit the money into a new “consumer protection restitution account.” Money from

the account that a court or the attorney general attempts to distribute to an eligible consumer that is not redeemed within 120 days may be redeposited in the account.

Section 2 [Reporting; 8.315, subd. 3] adds reporting requirements for the attorney general related to the new litigation or settlement account created in another section of the bill.

Section 3 [Account balance; 8.315, subd. 4] sets the maximum balance of the consumer litigation account at \$2,000,000. The consumer litigation account was created in 2023; money in the account is used to support multi-state consumer litigation.

Section 4 [Consumer Protection Restitution Account; 8.37] establishes a new consumer protection restitution account administered by the attorney general.

- **Subd. 1 [Definitions]** defines terms.
- **Subd. 2 [Account established; appropriation]** establishes a consumer protection restitution account in the special revenue fund. The account consists of money deposited into the account and money donated, allocated, transferred, or otherwise provided. Money in the account is appropriated to the attorney general, court-appointed administrator, or account administrator, as applicable, to make payments to eligible consumers, and to pay costs incurred to administer the account, including the costs to retain an account administrator or court-appointed administrator.
- **Subd. 3 [Account administrator]** authorizes the attorney general to appoint one or more account administrators to perform specified duties including distributing money from the consumer protection restitution account to eligible consumers. Authorizes the attorney general to compensate an account administrator from money in the account.
- **Subd. 4 [Distributions; eligible consumers]** authorizes the attorney general, a court-appointed administrator, or fund administrator, to distribute money from the consumer protection restitution account to an eligible consumer with identified unpaid consumer enforcement public compensation. If the amount available is insufficient to pay distributions to all eligible consumers, the attorney general, court-appointed administrator, or fund administrator, must first distribute money to eligible consumers based on enforcement actions with the oldest final order date.
- **Subd. 5 [Unpaid compensation; impractical payments; unreasonable efforts]** specifies criteria for the attorney general to apply to determine when it is impractical or unreasonable to distribute compensation to an eligible consumer.
- **Subd. 6 [Concluded distributions]** specifies criteria for the attorney general to apply to conclude efforts to distribute money is impractical when all consumers with identified unpaid consumer enforcement public compensation have received a distribution or the distribution is impractical or when no additional eligible consumer exist or identifying unpaid compensation is unreasonable.

- **Subd. 7 [No private right of action]** specifies that a person does not have a private right of action with respect to payment from the account or on administration of the account.
- **Subd. 8 [Collection efforts]** allows the attorney general to make payments from the account to an eligible consumer before a court orders payment to that consumer. Collections of consumer enforcement public compensation under a final court order after money has been distributed from the account to eligible consumers must be deposited into the account in an amount equal to that distributed.
- **Subd. 9 [Annual report]** requires the attorney general to publish an annual report with specified content relating to consumer enforcement actions and payments to and distributions from the consumer protection restitution account.

Section 5 [State funds; 16A.151, subd. 1] changes where money recovered by a state official in litigation, or in settlement of a matter that could have been litigated, is deposited, from the general fund to a new “litigation or settlement account.” On July 1 each year, the commissioner of management and budget must transfer proceeds from the new account to the consumer litigation account, up to a balance of \$2,000,000, and must transfer the remainder to the general fund.

Section 6 [Proceeds of litigation or settlement account established; 16A.151] creates a new “litigation or settlement” account. The account consists of money that is recovered by a state official in litigation or settlement and deposited into the account.



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