

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 3044

(SENATE AUTHORS: XIONG)

DATE	D-PG	OFFICIAL STATUS
03/27/2025	1101	Introduction and first reading Referred to State and Local Government

1.1

A bill for an act

1.2

relating to state government finance; appropriating money for attorney general

1.3

duties and activities; establishing a consumer protection restitution account and

1.4

related requirements; modifying the consumer litigation account; establishing a

1.5

proceeds of litigation or settlement account; requiring a report; amending Minnesota

1.6

Statutes 2024, sections 8.31, subdivision 2c; 8.315, subdivision 3, by adding a

1.7

subdivision; 16A.151, subdivision 1, by adding a subdivision; proposing coding

1.8

for new law in Minnesota Statutes, chapter 8.

1.9

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

1.10

ARTICLE 1

1.11

ATTORNEY GENERAL APPROPRIATIONS

1.12

Section 1. ATTORNEY GENERAL.

1.13

The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.14

and for the purposes specified in this article. The appropriations are from the general fund,

1.15

or another named fund, and are available for the fiscal years indicated for each purpose.

1.16

The figures "2026" and "2027" used in this article mean that the appropriations listed under

1.17

them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.

1.18

"The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium"

1.19

is fiscal years 2026 and 2027.

1.20

APPROPRIATIONS

1.21

Available for the Year

1.22

Ending June 30

1.23

20262027

1.24

Sec. 2. ATTORNEY GENERAL\$53,165,000\$52,225,000

2.1	<u>Appropriations by Fund</u>		
2.2		<u>2026</u>	<u>2027</u>
2.3	<u>General</u>	<u>49,749,000</u>	<u>48,809,000</u>
2.4	<u>State Government</u>		
2.5	<u>Special Revenue</u>	<u>3,021,000</u>	<u>3,021,000</u>
2.6	<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
2.7	<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

ARTICLE 2

CONSUMER PROTECTION POLICY

Section 1. Minnesota Statutes 2024, section 8.31, subdivision 2c, is amended to read:

Subd. 2c. **Undistributed money to general fund.** If a court of competent jurisdiction ~~finds~~ or the attorney general determines that a sum recovered under this section for the benefit of injured persons cannot reasonably be distributed to the victims, because the victims cannot readily be located or identified, or because the cost of distributing the money would outweigh the benefit to the victims, then the court ~~may order that the money be paid into the general fund. All sums recovered must be deposited into the state treasury and credited to the general fund~~ or attorney general must deposit the money in the consumer protection restitution account under section 8.37. Money from consumer enforcement public compensation that a court or the attorney general attempts to distribute to an eligible consumer, but that the consumer does not redeem within 120 days of the date the distribution attempt is made, may be redeposited in the consumer protection restitution account.

Sec. 2. Minnesota Statutes 2024, section 8.315, subdivision 3, is amended to read:

Subd. 3. **Reporting.** (a) The attorney general shall report annually by October 15 to the chairs and ranking minority members of the committees in the senate and the house of representatives with jurisdiction over state government finance on activities funded through money disbursed from the consumer litigation account during the prior fiscal year.

(b) The report must include: (1) an accounting of (i) the starting balance and ending balance of the consumer litigation account for the relevant reporting period, (ii) the amount transferred each year on July from the proceeds of litigation or settlement account under section 16A.151, subdivision 1a, and (iii) a summary description of all disbursements from the account, along with the purpose of any disbursements; and (2) a recommendation to adjust the maximum account balance under subdivision 4, if the attorney general determines an adjustment is necessary.

3.1 Sec. 3. Minnesota Statutes 2024, section 8.315, is amended by adding a subdivision to
3.2 read:

3.3 Subd. 4. **Account balance.** The maximum balance of the consumer litigation account
3.4 is \$2,000,000.

3.5 Sec. 4. **[8.37] CONSUMER PROTECTION RESTITUTION ACCOUNT.**

3.6 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
3.7 the meanings given.

3.8 (b) "Account" means the consumer protection restitution account established under this
3.9 section.

3.10 (c) "Account administrator" means a person appointed by the attorney general to
3.11 administer the account under this section.

3.12 (d) "Consumer enforcement action" means litigation in any forum, or the settlement of
3.13 a matter that could have resulted in litigation, by the attorney general in whole or in part
3.14 under the attorney general's authority under section 8.31 or under other authority granted
3.15 to the attorney general to obtain the remedies under section 8.31.

3.16 (e) "Consumer enforcement public compensation" means money awarded or recovered
3.17 in a consumer enforcement action to vindicate public interests by providing restitution or
3.18 other compensation to individuals harmed by an unlawful act or practice that is the subject
3.19 of a consumer enforcement action.

3.20 (f) "Court-appointed administrator" means an administrator appointed by a court under
3.21 section 8.31, subdivision 3c.

3.22 (g) "Eligible consumer" means a person who: (1) was harmed by an unlawful act or
3.23 practice that is the subject of a consumer enforcement action; and (2) as a result of the
3.24 consumer enforcement action, is eligible to receive consumer enforcement public
3.25 compensation under a final order.

3.26 (h) "Final order" means a judgment, assurance of discontinuance, consent order,
3.27 settlement, stipulation, or other order or settlement that is no longer appealable and for
3.28 which no appeals are pending. Final order does not include a judgment, assurance of
3.29 discontinuance, consent order, settlement, stipulation, or other order or settlement entered
3.30 into before

3.31 (i) "Identified unpaid consumer enforcement public compensation" means a specific
3.32 amount of consumer enforcement public compensation that: (1) the attorney general,

court-appointed administrator, or account administrator has determined a specific eligible consumer is entitled to receive following a final order in a consumer enforcement action; and (2) has not been distributed to the specific eligible consumer.

Subd. 2. **Account established; appropriation.** (a) A consumer protection restitution account is established as a separate account in the special revenue fund of the state treasury. The account consists of money deposited in the account pursuant to this section and any other money provided by law or donated, allocated, transferred, or otherwise provided to the account. Money in the account is appropriated to the attorney general, court-appointed administrator, or account administrator, as applicable, for the purposes specified under paragraph (c).

(b) Fifty percent of all money recovered by the attorney general in any consumer enforcement action that is payable to the state and not designated as consumer enforcement public compensation or for another specific purpose must be deposited into the account. Money may also be deposited into the account as provided under section 8.31, subdivision 2c.

(c) The attorney general, court-appointed administrator, or account administrator must use money in the account only to distribute consumer enforcement action public compensation to eligible consumers under subdivision 4 and to pay for costs incurred to administer the account. The costs to administer the account include the cost to retain, for any permissible purpose, an account administrator or court-appointed administrator.

Subd. 3. **Account administrator.** (a) The attorney general may appoint an account administrator. An account administrator appointed under this subdivision must:

(1) determine the identified amounts of unpaid consumer enforcement public compensation for eligible consumers;

(2) collect money to deposit, in whole or in part, in the account;

(3) distribute money to eligible consumers under subdivision 4; or

(4) perform other tasks required to administer the account.

(b) The attorney general may compensate an account administrator using money from the account. The attorney general may appoint more than one account administrator.

Subd. 4. **Distributions; eligible consumers.** The attorney general, court-appointed administrator, or fund administrator may distribute money from the account to any eligible consumer with identified unpaid consumer enforcement public compensation. If the amount of money in the fund is insufficient to pay distributions to all eligible consumers with

identified unpaid consumer enforcement public compensation, the attorney general, court-appointed administrator, or fund administrator must first distribute money to consumers eligible for identified unpaid consumer enforcement public compensation based on a consumer enforcement action with the oldest final order date.

Subd. 5. Unpaid compensation; impractical payments; unreasonable efforts. (a)

The attorney general may determine that distributing identified unpaid consumer enforcement public compensation to an eligible consumer is impractical if: (1) the eligible consumer's identified unpaid consumer enforcement public compensation amount is too small to justify the cost to locate the eligible consumer or make the payment; (2) the eligible consumer does not redeem a payment within a reasonable amount of time; or (3) other circumstances make distributing the unpaid consumer enforcement public compensation to the eligible consumer unreasonable.

(b) The attorney general may determine that an attempt to calculate identified unpaid consumer enforcement public compensation for some or all eligible consumers relating to a consumer enforcement action when the judgment, assurance of discontinuance, consent order, settlement, stipulation, or other order or settlement does not identify specific amounts of consumer enforcement public compensation for specific consumers is unreasonable if: (1) the number of likely eligible consumers and the amount of likely unpaid consumer enforcement public compensation is too small to justify the cost to calculate the identified unpaid consumer enforcement public compensation; (2) the information needed to identify the amount of unpaid consumer enforcement public compensation is unavailable or too costly to obtain; or (3) other circumstances make an attempt to calculate the identified amount of unpaid consumer enforcement public compensation unreasonable.

Subd. 6. Concluded distributions. The attorney general may conclude that distributing unpaid consumer enforcement public compensation relating to a consumer enforcement action is impractical when the attorney general determines:

(1) all eligible consumers with identified unpaid consumer enforcement public compensation for the consumer enforcement action have received a distribution from the account or the distribution is impractical under subdivision 5, paragraph (a); and

(2) no additional eligible consumers with unpaid consumer enforcement public compensation for that consumer enforcement action exist or the attorney general has determined that identifying unpaid compensation is unreasonable under subdivision 5, paragraph (b).

6.1 Subd. 7. **No private right of action.** A person does not have a private right of action
6.2 with respect to a payment from the account or the administration of the account.

6.3 Subd. 8. **Collection efforts.** A monetary distribution from the account to an eligible
6.4 consumer has no effect on the attorney general's authority to collect, satisfy, or enforce final
6.5 orders against a person that is ordered to pay consumer enforcement public compensation
6.6 to eligible consumers under the final order. To the extent the attorney general collects
6.7 consumer enforcement public compensation pursuant to a final order after money has been
6.8 distributed from the account to eligible consumers that are the subject of that final order,
6.9 the collected consumer enforcement public compensation must be deposited in the account
6.10 in an amount equal to the amount distributed from the account for eligible consumers subject
6.11 to the applicable final order.

6.12 Subd. 9. **Annual report.** The attorney general must publish an annual report that identifies
6.13 for the annual period:

6.14 (1) the consumer enforcement actions that result in monetary payment to the fund and
6.15 the amount of money paid to the fund for each consumer enforcement action;

6.16 (2) the consumer enforcement actions for which distributions were made to eligible
6.17 consumers and the amount of money distributed for each consumer enforcement action;

6.18 (3) the consumer enforcement actions for which eligible consumers are awaiting
6.19 distribution from the fund and the amount of money that the eligible consumers are waiting
6.20 for distribution from for each consumer enforcement action;

6.21 (4) the consumer enforcement actions for which the attorney general has concluded
6.22 distributing money from the account;

6.23 (5) the consumer enforcement actions in which the attorney general determined under
6.24 subdivision 5 that some or all eligible compensation was impractical to distribute or
6.25 unreasonable to determine; and

6.26 (6) the cost to administer the account.

6.27 Sec. 5. Minnesota Statutes 2024, section 16A.151, subdivision 1, is amended to read:

6.28 Subdivision 1. **State funds; general fund.** (a) This subdivision applies, notwithstanding
6.29 any law to the contrary, except as provided in subdivision 2.

6.30 (b) A state official may not commence, pursue, or settle litigation, or settle a matter that
6.31 could have resulted in litigation, in a manner that would result in money being distributed
6.32 to a person or entity other than the state.

(c) Money recovered by a state official in litigation or in settlement of a matter that could have resulted in litigation is state money and must be deposited in the ~~general fund~~ proceeds of litigation or settlement account under subdivision 1a.

(d) On July 1 each year, the commissioner must transfer from the proceeds of litigation or settlement account under subdivision 1a to the consumer litigation account established under section 8.315, subdivision 1, a sum sufficient to ensure the balance of the consumer litigation account is \$2,000,000.

(e) On July 1 each year, after the commissioner makes the transfer under paragraph (d), the commissioner must transfer the balance remaining in the proceeds of litigation or settlement account under subdivision 1 to the general fund.

(f) The report required under section 8.315, subdivision 3, must include an accounting of the money transferred under paragraph (d) to the consumer litigation account under section 8.315, subdivision 1.

Sec. 6. Minnesota Statutes 2024, section 16A.151, is amended by adding a subdivision to read:

Subd. 1a. **Proceeds of litigation or settlement account established.** A proceeds of litigation or settlement account is established as a special account in the state treasury. The account consists of money that is (1) recovered by a state official in litigation or in a settlement, and (2) subsequently deposited in the account as provided under subdivision 1, paragraph (c).

APPENDIX
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