

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1153

Introduced by Conrad, 46.

Read first time January 20, 2026

Committee: Judiciary

1 A BILL FOR AN ACT relating to the Consumer Protection Act; to amend
2 sections 59-1608.03 and 59-1608.05, Reissue Revised Statutes of
3 Nebraska, and section 59-1608.04, Revised Statutes Cumulative
4 Supplement, 2024; to change provisions relating to recovery under
5 the act; to provide a termination date for the State Settlement Cash
6 Fund and provide powers and duties to the State Treasurer regarding
7 any money in such fund; to change provisions relating to the State
8 Settlement Trust Fund; to harmonize provisions; to repeal the
9 original sections; and to declare an emergency.
10 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 59-1608.03, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 59-1608.03 When the Attorney General, on behalf of a state agency or
4 political subdivision, is authorized to investigate, file suit, or
5 otherwise take action in connection with violations under the Consumer
6 Protection Act, any recovery of damages or costs by judgment, court
7 decree, settlement in or out of court, or other final result shall be
8 subject to the following:

9 (1) Upon recovery of damages or any monetary payment, except
10 criminal penalties, the costs, expenses, or billings incurred by any
11 state agency or political subdivision in any investigation or other
12 action arising out of a violation under the act shall be sought out in
13 any judgment, court decree, settlement in or out of court, or other final
14 result. Any recovered costs shall be deposited by the Attorney General in
15 the fund from which such costs were expended;

16 (2) When the Attorney General makes recovery pursuant to the act on
17 behalf of a state agency or political subdivision of any money, funds,
18 securities, or other things of value in the nature of civil damages or
19 other payment, except criminal penalties, whether such recovery is by way
20 of verdict, judgment, compromise, or settlement in or out of court, or
21 other final disposition of any case or controversy, such money, funds,
22 securities, or other things of value shall be deposited by the Attorney
23 General in the fund from which the funds which are being recovered were
24 expended;

25 (3)(a) Until July 1, 2026, and except ~~(3) Except~~ as otherwise
26 provided by law, the State Settlement Cash Fund shall consist of all
27 recoveries received pursuant to the act, including any money, funds,
28 securities, or other things of value in the nature of civil damages or
29 other payment, except criminal penalties, whether such recovery is by way
30 of verdict, judgment, compromise, or settlement in or out of court, or
31 other final disposition of any case or controversy, or any other payments

1 received on behalf of the state by the Department of Justice and
2 administered by the Attorney General for the benefit of the state or the
3 general welfare of its citizens, but excluding all funds held in a trust
4 capacity where specific benefits accrue to specific individuals,
5 organizations, or governments. ~~;~~ and

6 (b)(i) Beginning July 1, 2026, and except as otherwise provided by
7 law and subject to subdivision (b)(ii) of this subsection, all recoveries
8 received pursuant to the act, including any money, funds, securities, or
9 other things of value in the nature of civil damages or other payment,
10 except criminal penalties, whether such recovery is by way of verdict,
11 judgment, compromise, or settlement in or out of court, or other final
12 disposition of any case or controversy, or any other payments received on
13 behalf of the state by the Department of Justice and administered by the
14 Attorney General for the benefit of the state or the general welfare of
15 its citizens, shall be remitted to the State Treasurer to be distributed
16 as follows:

17 (A) One percent to the Legal Education for Public Service and Rural
18 Practice Loan Repayment Assistance Fund;

19 (B) One percent to the Financial Literacy Cash Fund;

20 (C) One percent to the Board of Regents of the University of
21 Nebraska for the tenant assistance project;

22 (D) One percent to the University of Nebraska Medical Center for
23 pediatric cancer research; and

24 (E) Ninety-six percent for the use and support of common schools in
25 the same manner as all fines, penalties, and license money are
26 distributed under Article VII, section 5, of the Constitution of
27 Nebraska.

28 (ii) Subdivision (b)(i) of this subsection shall not apply to any
29 funds held in a trust capacity where specific benefits accrue to specific
30 individuals, organizations, or governments; and

31 (4) Except as otherwise provided by law, the State Settlement Trust

1 Fund shall consist of all recoveries received pursuant to the act,
2 including any money, funds, securities, or other things of value in the
3 nature of civil damages or other payment, except criminal penalties,
4 whether such recovery is by way of verdict, judgment, compromise, or
5 settlement in or out of court, or other final disposition of any case or
6 controversy, or any other payments received on behalf of the state by the
7 Department of Justice and administered by the Attorney General, but to
8 include only those funds held in a trust capacity where specific benefits
9 accrue to specific individuals, organizations, or governments.

10 **Sec. 2.** Section 59-1608.04, Revised Statutes Cumulative Supplement,
11 2024, is amended to read:

12 59-1608.04 (1) The State Settlement Cash Fund is created. The fund
13 shall be maintained by the Department of Justice and administered by the
14 Attorney General. Except as otherwise provided by law, the fund shall
15 consist of all recoveries received pursuant to the Consumer Protection
16 Act, including any money, funds, securities, or other things of value in
17 the nature of civil damages or other payment, except criminal penalties,
18 whether such recovery is by way of verdict, judgment, compromise, or
19 settlement in or out of court, or other final disposition of any case or
20 controversy, or any other payments received on behalf of the state by the
21 Department of Justice and administered by the Attorney General for the
22 benefit of the state or the general welfare of its citizens, but
23 excluding all funds held in a trust capacity where specific benefits
24 accrue to specific individuals, organizations, or governments. The fund
25 may be expended for any allowable legal purposes as determined by the
26 Attorney General. Transfers from the State Settlement Cash Fund may be
27 made at the direction of the Legislature to the Nebraska Capital
28 Construction Fund, the Legal Education for Public Service and Rural
29 Practice Loan Repayment Assistance Fund, the Nebraska State Patrol Cash
30 Fund, the Financial Literacy Cash Fund, and the General Fund. To provide
31 necessary financial accountability and management oversight, revenue from

1 individual settlement agreements or other separate sources credited to
2 the State Settlement Cash Fund may be tracked and accounted for within
3 the state accounting system through the use of separate and distinct
4 funds, subfunds, or any other available accounting mechanism specifically
5 approved by the Accounting Administrator for use by the Department of
6 Justice. Any money in the fund available for investment shall be invested
7 by the state investment officer pursuant to the Nebraska Capital
8 Expansion Act and the Nebraska State Funds Investment Act. Beginning
9 October 1, 2024, any investment earnings from investment of money in the
10 fund shall be credited to the General Fund.

11 (2) The State Settlement Cash Fund terminates on July 1, 2026. The
12 State Treasurer shall distribute any money remaining in the fund on such
13 date as provided in subdivision (3)(b)(i) of section 59-1608.03.

14 ~~(2) The State Treasurer shall transfer two million five hundred~~
15 ~~thousand dollars from the State Settlement Cash Fund to the Nebraska~~
16 ~~Capital Construction Fund on July 1, 2013, or as soon thereafter as~~
17 ~~administratively possible.~~

18 ~~(3) The State Treasurer shall transfer eight hundred seventy-six~~
19 ~~thousand nine hundred ninety-eight dollars from the State Settlement Cash~~
20 ~~Fund to the General Fund on or before June 30, 2018, on such dates and in~~
21 ~~such amounts as directed by the budget administrator of the budget~~
22 ~~division of the Department of Administrative Services.~~

23 ~~(4) The State Treasurer shall transfer one million seven hundred~~
24 ~~fifty-six thousand six hundred thirty-nine dollars from the State~~
25 ~~Settlement Cash Fund to the General Fund on or before June 30, 2019, on~~
26 ~~such dates and in such amounts as directed by the budget administrator of~~
27 ~~the budget division of the Department of Administrative Services.~~

28 ~~(5) The State Treasurer shall transfer one hundred twenty-five~~
29 ~~thousand dollars from the State Settlement Cash Fund to the Legal~~
30 ~~Education for Public Service and Rural Practice Loan Repayment Assistance~~
31 ~~Fund on or before April 30, 2018, on such dates and in such amounts as~~

1 ~~directed by the budget administrator of the budget division of the~~
2 ~~Department of Administrative Services.~~

3 ~~(6) The State Treasurer shall transfer one hundred fifty thousand~~
4 ~~dollars from the State Settlement Cash Fund to the Legal Education for~~
5 ~~Public Service and Rural Practice Loan Repayment Assistance Fund on or~~
6 ~~before July 9, 2018, on such dates and in such amounts as directed by the~~
7 ~~budget administrator of the budget division of the Department of~~
8 ~~Administrative Services.~~

9 **Sec. 3.** Section 59-1608.05, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 59-1608.05 (1)(a) The State Settlement Trust Fund is created. The
12 fund shall be maintained by the Department of Justice and administered by
13 the Attorney General. Except as otherwise provided by law and subject to
14 subdivision (1)(b) of this section, the fund shall consist of:

15 (i) All ~~all~~ recoveries received pursuant to the Consumer Protection
16 Act, including any money, funds, securities, or other things of value in
17 the nature of civil damages or other payment, except criminal penalties,
18 whether such recovery shall be by way of verdict, judgment, compromise,
19 or settlement in or out of court, or other final disposition of any case
20 or controversy; and ~~or~~

21 (ii) Any ~~any~~ other payments received on behalf of the state by the
22 Department of Justice and administered by the Attorney General. ~~or~~

23 (b) The State Settlement Trust Fund shall ~~but to~~ include only those
24 funds held in a trust capacity where specific benefits accrue to specific
25 individuals, organizations, or governments.

26 (2) All money in the State Settlement Trust Fund shall be subject to
27 legislative review, but shall not be subject to legislative
28 appropriation. The fund shall be expended consistent with any legal
29 restrictions placed on the funds. ~~The fund shall be paid from the same~~
30 ~~budget program used to record revenue and expenditures of the State~~
31 ~~Settlement Cash Fund, except that the fund shall only be expended from a~~

1 ~~separate and distinct budget subprogram and shall not be commingled with~~
2 ~~any other revenue or expenditure.~~

3 (3) To provide necessary financial accountability and management
4 oversight, revenue from individual settlement agreements or other
5 separate sources credited to the fund may be tracked and accounted for
6 within the state accounting system through the use of separate and
7 distinct funds, subfunds, or any other available accounting mechanism
8 specifically approved by the Accounting Administrator for use by the
9 Department of Justice.

10 (4) Any money in the fund available for investment shall be invested
11 by the state investment officer pursuant to the Nebraska Capital
12 Expansion Act and the Nebraska State Funds Investment Act.

13 **Sec. 4.** Original sections 59-1608.03 and 59-1608.05, Reissue
14 Revised Statutes of Nebraska, and section 59-1608.04, Revised Statutes
15 Cumulative Supplement, 2024, are repealed.

16 **Sec. 5.** Since an emergency exists, this act takes effect when
17 passed and approved according to law.