

SF447 - 0 - Consumer Protection Restitution Acct. Established

Chief Author: **Ann Rest**
 Committee: **Commerce And Consumer Protection**
 Date Completed: **3/7/2025 3:46:16 PM**
 Lead Agency: **Attorney General**
 Other Agencies:
 Revenue Dept Supreme Court

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue	X	
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
State Total						
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 3/7/2025 3:46:16 PM
Phone: 651-297-1423 **Email:** chloe.burns@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

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Chief Author: **Ann Rest**
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 Date Completed: **3/7/2025 3:46:16 PM**
 Agency: **Attorney General**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 3/7/2025 7:51:08 AM
Phone: 651-297-1423 **Email:** chloe.burns@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

SF 447, Section 1 establishes a consumer protection restitution account. Section 2 details how the fund is to be funded, who is eligible, and that the Attorney General’s Office may appoint an account administrator to perform the duties outlined in the bill. As introduced, the bill provides that 50% of all money recovered in Attorney General enforcement actions, (all of which are currently deposited in the general fund per 16A.151, Subd. 1 (c)), would be deposited into the consumer protection restitution account. The remaining 50% of the money recovered in Attorney General enforcement actions would continue to be deposited in the general fund as per current law.

Section 2 provides that money in the consumer protection restitution account must be distributed to consumers with identifiable losses from practices subject to AGO enforcement. Up to 3% of the accounts for the costs of administering the account, which includes appointing an account administrator. Section 2 also requires annual reporting on account activity.

Assumptions

The AGO does not project any expenditures or revenues to the Attorney General’s Office as a result of the bill’s enactment. Under current law, money from Attorney General enforcement actions, including actual damages, punitive or exemplary damages, statutory damages, and civil and criminal penalties are deposited into the General Fund. The bill would direct a portion of that money to the newly created Consumer Protection Restitution Account, with the rest continuing to be deposited in the General Fund. Money in the Consumer Protection Restitution Account can only be distributed to those as defined in Subd. 5 of the bill. To the extent the AGO can appoint an administrator to identify and distribute funds, the position would be funded from the newly created account and would not impose new costs on the AGO.

Expenditure and/or Revenue Formula

n/a

Long-Term Fiscal Considerations

n/a

Local Fiscal Impact

n/a

References/Sources

n/a

Agency Contact: Laura Sayles

Agency Fiscal Note Coordinator Signature: Laura Capuana

Phone: 651-402-2213

Date: 2/26/2025 3:47:00 PM

Email: laura.capuana@ag.state.mn.us

SF447 - 0 - Consumer Protection Restitution Acct. Established

Chief Author: **Ann Rest**
 Committee: **Commerce And Consumer Protection**
 Date Completed: **3/7/2025 3:46:16 PM**
 Agency: **Revenue Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue	X	
Information Technology		X
Local Fiscal Impact		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

This fiscal note estimates the administrative impact of the proposed bill. Estimated tax revenue impact is shown on a corresponding analysis produced by the Department of Revenue Tax Research Division. Published revenue analyses can be found at <https://www.revenue.state.mn.us/revenue-analyses>.

LBO Signature: Joel Enders **Date:** 2/18/2025 2:19:32 PM
Phone: 651-284-6542 **Email:** joel.enders@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

This bill establishes a consumer protection restitution account.

Section 4 of the bill modifies Minnesota Statutes 2024, section 290.0132 to include a subtraction for public compensation received as a distribution to an eligible consumer under section 8.37, subd. 5.

This section is effective retroactively for taxable years beginning after December 31, 2023.

Assumptions

The Department of Revenue (Revenue) assumes a subtraction will be included on tax forms for recipients of payments for public compensation distributions received as an eligible consumer under section 2, subd. 5 of the bill. While the section is retroactive to tax years beginning after December 31, 2023, no retroactive changes to forms or instructions are needed since no payments have yet been issued.

The Income Tax and Withholding Division (ITW) assumes Form M1M will be updated during annual changes in FY26 at no cost to the division.

The Corporate Franchise Tax Division (CFT) assumes a subtraction will be added to M2 forms and instructions during annual changes in FY26 at no cost to the division.

The Tax Operations Division (Tax Ops) assumes additional review of M1 returns will be completed to review this subtraction claim. The exact population of who will qualify for this subtraction is unknown at this point; however, Revenue assumes the total population will be under 100 taxpayers. Because this is a new subtraction, Tax Ops will review a greater than average number of returns in FY26, with the assumption that 25% of total returns will be reviewed. In FY27 and ongoing, Tax Ops will review a standard 10% of returns. This work will be completed by existing staff.

Expenditure and/or Revenue Formula

This bill may have an impact on state tax revenues. An estimate of revenue impact is not included in this fiscal note. The Department of Revenue prioritizes revenue estimate requests for bills before Tax Committee and will provide one for this bill when it is before Tax Committee.

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

References/Sources

Agency staff provided information for this fiscal note.

Agency Contact:

Agency Fiscal Note Coordinator Signature: Chelsea Magadance

Date: 2/18/2025 9:24:13 AM

Phone: 651-556-6308

Email: chelsea.magadance@state.mn.us

SF447 - 0 - Consumer Protection Restitution Acct. Established

Chief Author: **Ann Rest**
 Committee: **Commerce And Consumer Protection**
 Date Completed: **3/7/2025 3:46:16 PM**
 Agency: **Supreme Court**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Susan Nelson **Date:** 2/17/2025 10:51:13 AM
Phone: 651-296-6054 **Email:** susan.nelson@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

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1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
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Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

SF447-0 (the "bill") amends Minn. Stat. § 8.31, subd. 2c to establish the consumer protection restitution account. If a sum recovered for the benefit of injured persons cannot reasonably be distributed to the victims in actions respecting unfair, discriminatory, and other unlawful practices in business, commerce, or trade, the court or attorney general must deposit the money in the consumer protection restitution account as opposed to the general fund.

The bill establishes Minn. Stat. § 8.37, which identifies how money recovered by the attorney general in a consumer enforcement action must be distributed, how account funds may be used, the grounds for which the attorney general may deem a distribution impractical, the circumstances where the attorney general must stop providing distributions, the requirements for the attorney general to publish an annual report, and the process for appointing an account administrator.

The bill provides a person does not have a private right of action with respect to a payment from the account or administration of the account.

A "final order" for purposes of this bill does not include any judgment, assurance of discontinuance, consent order, settlement, stipulation, or other order or settlement entered into before July 1, 2023.

Assumptions

It is assumed that this bill will not impact the overall number of case filings in district court relating to unfair, discriminatory, and other unlawful practices in business, commerce, or trade.

For purposes of this bill, it is assumed that restitution money recovered for the benefit of injured persons will be deposited directly with the Attorney General and that the Attorney General will be responsible for depositing the appropriate funds into the consumer protection restitution account.

It is assumed, however, that if any recovered funds are deposited with the Court that the Minnesota Judicial Branch would need to establish and configure a new account for consumer protection funds within MNCIS in order to facilitate monthly transactions to MMB. Presumably, MMB would also be required to configure its system to receive funds from the Minnesota Judicial Branch for this new account so they can be correctly appropriated. This work, if necessary, would be absorbed by the judicial branch.

Expenditure and/or Revenue Formula

The bill is not anticipated to have a significant fiscal impact on the judicial branch.

Long-Term Fiscal Considerations

None

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Callie Lehman

Phone: 651-297-7579

Date: 2/14/2025 1:21:43 PM

Email: callie.lehman@courts.state.mn.us