

**THE MANAGEMENT AND BUDGET ACT (EXCERPT)**  
**Act 431 of 1984**

**18.1396 Paying or recording certain expenditures from appropriations; notice of certain settlements or consent judgments; report.**

Sec. 396. (1) From the appropriations contained in a budget act, a state agency shall pay or record expenditures for the following:

- (a) Court judgments, including court approved consent judgments; all settlements, awards, and claims.
- (b) Writeoffs of accounts receivable recorded in a prior year.

(2) The attorney general shall notify the senate and house appropriations committees, the speaker of the house, the senate majority leader, and the fiscal agencies within 14 days after entering into a settlement or consent judgment which would result in a state obligation that exceeds \$200,000.00. The notice shall include a summary of the facts of the case and the reason or reasons that the settlement or consent judgment would be in the best interests of the state.

(3) Before December 1 of each year, each principal department shall transmit to the appropriations committees and fiscal agencies a written report which includes all of the following:

- (a) The total dollar amount of final judgments and settlements against the principal department for the most recent completed fiscal year.
- (b) Each source of funding and item appropriating money in a budget act, which source and item is used to pay the judgments and settlements pursuant to subdivision (a).
- (c) The total dollar amount of final judgments and settlements received in the most recent completed fiscal year pursuant to legal actions by the principal department.
- (d) Each revenue account in which money was credited pursuant to subdivision (c).
- (e) An estimate of the total dollar amount and a description of the facts involved in each court action currently pending against the department for the most recently completed fiscal year.

**History:** Add. 1988, Act 504, Imd. Eff. Dec. 29, 1988;—Am. 1999, Act 8, Imd. Eff. Mar. 22, 1999.

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