

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1199

Introduced by Ibach, 44.

Read first time January 21, 2026

Committee: Judiciary

- 1 A BILL FOR AN ACT relating to the practice of law; to amend section
- 2 7-203, Reissue Revised Statutes of Nebraska, and section 59-1608.04,
- 3 Revised Statutes Cumulative Supplement, 2024; to change the
- 4 definition of designated legal profession shortage area under the
- 5 Legal Education for Public Service and Rural Practice Loan Repayment
- 6 Assistance Act; to provide for a funds transfer from the State
- 7 Settlement Cash Fund; and to repeal the original sections.
- 8 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 7-203, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 7-203 For purposes of the Legal Education for Public Service and
4 Rural Practice Loan Repayment Assistance Act:

5 (1) Board means the Legal Education for Public Service and Rural
6 Practice Loan Repayment Assistance Board;

7 (2) Designated legal profession shortage area means a rural area
8 located within any county in Nebraska having a population of less than
9 seventy-five ~~fifteen~~ thousand inhabitants and not included within a
10 metropolitan statistical area as defined by the United States Department
11 of Commerce, Bureau of the Census, and determined by the board to be
12 underserved by available legal representation;

13 (3) Educational loans means loans received as an educational
14 benefit, scholarship, or stipend toward a juris doctorate degree and
15 either (a) made, insured, or guaranteed by a governmental unit or (b)
16 made under a program funded in whole or in part by a governmental unit or
17 nonprofit institution; and

18 (4) Public legal service means providing legal service to indigent
19 persons while employed by a tax-exempt charitable organization.

20 **Sec. 2.** Section 59-1608.04, Revised Statutes Cumulative Supplement,
21 2024, is amended to read:

22 59-1608.04 (1) The State Settlement Cash Fund is created. The fund
23 shall be maintained by the Department of Justice and administered by the
24 Attorney General. Except as otherwise provided by law, the fund shall
25 consist of all recoveries received pursuant to the Consumer Protection
26 Act, including any money, funds, securities, or other things of value in
27 the nature of civil damages or other payment, except criminal penalties,
28 whether such recovery is by way of verdict, judgment, compromise, or
29 settlement in or out of court, or other final disposition of any case or
30 controversy, or any other payments received on behalf of the state by the
31 Department of Justice and administered by the Attorney General for the

1 benefit of the state or the general welfare of its citizens, but
2 excluding all funds held in a trust capacity where specific benefits
3 accrue to specific individuals, organizations, or governments. The fund
4 may be expended for any allowable legal purposes as determined by the
5 Attorney General. Transfers from the State Settlement Cash Fund may be
6 made at the direction of the Legislature to the Nebraska Capital
7 Construction Fund, the Legal Education for Public Service and Rural
8 Practice Loan Repayment Assistance Fund, the Nebraska State Patrol Cash
9 Fund, the Financial Literacy Cash Fund, and the General Fund. To provide
10 necessary financial accountability and management oversight, revenue from
11 individual settlement agreements or other separate sources credited to
12 the State Settlement Cash Fund may be tracked and accounted for within
13 the state accounting system through the use of separate and distinct
14 funds, subfunds, or any other available accounting mechanism specifically
15 approved by the Accounting Administrator for use by the Department of
16 Justice. Any money in the fund available for investment shall be invested
17 by the state investment officer pursuant to the Nebraska Capital
18 Expansion Act and the Nebraska State Funds Investment Act. Beginning
19 October 1, 2024, any investment earnings from investment of money in the
20 fund shall be credited to the General Fund.

21 (2) The State Treasurer shall transfer two million five hundred
22 thousand dollars from the State Settlement Cash Fund to the Nebraska
23 Capital Construction Fund on July 1, 2013, or as soon thereafter as
24 administratively possible.

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

30 (4) The State Treasurer shall transfer one million seven hundred
31 fifty-six thousand six hundred thirty-nine dollars from the State

1 Settlement Cash Fund to the General Fund on or before June 30, 2019, on
2 such dates and in such amounts as directed by the budget administrator of
3 the budget division of the Department of Administrative Services.

4 (5) The State Treasurer shall transfer one hundred twenty-five
5 thousand dollars from the State Settlement Cash Fund to the Legal
6 Education for Public Service and Rural Practice Loan Repayment Assistance
7 Fund on or before April 30, 2018, on such dates and in such amounts as
8 directed by the budget administrator of the budget division of the
9 Department of Administrative Services.

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

16 (7) The State Treasurer shall transfer XXX dollars from the State
17 Settlement Cash Fund to the Legal Education for Public Service and Rural
18 Practice Loan Repayment Assistance Fund on the effective date of this
19 act, or as soon thereafter as administratively possible.

20 **Sec. 3.** Original section 7-203, Reissue Revised Statutes of
21 Nebraska, and section 59-1608.04, Revised Statutes Cumulative Supplement,
22 2024, are repealed.