



# SENATE BILL 99: Appropriations Act of 2018, Sec. 13.11: Volkswagen Settlement Fund

2017-2018 General Assembly

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<b>Committee:</b>		<b>Date:</b>	August 14, 2018
<b>Introduced by:</b>		<b>Prepared by:</b>	Jeff Cherry
<b>Analysis of:</b>	Sec. 13.11 of S.L. 2018-5		Staff Attorney

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**OVERVIEW:** *The State of North Carolina is a beneficiary of the environmental mitigation trust (Volkswagen Trust) established in the consent decree resolving the extensive federal civil litigation concerning Volkswagen's marketing and emissions test practices for its line of "Clean Diesel" vehicles. The consent decree requires the Governor to designate a lead agency to prepare and implement a Beneficiary Mitigation Plan (Plan) for the use of over \$90 million designated for distribution to the State through the Volkswagen Trust.*

*Sec. 13.11 of S.L. 2018-5 provides the following directives and restrictions to the Department of Environmental Quality (DEQ) as the lead agency currently designated by the Governor:*

- *Revises language regarding approval of the Plan by the General Assembly in Section 13.2 of the Appropriations Act of 2017 (S.L. 2017-57) to specify that DEQ may not direct payment of funds received from the Volkswagen Trust to any third party until the funds are deposited in the State Treasury and appropriated by an act of the General Assembly.*
- *Allows DEQ to direct use of the funds as set forth in the Plan after its approval by the General Assembly and the appropriation of the funds.*
- *Establishes the Volkswagen Litigation Environmental Mitigation Fund as a special fund in the State Treasury to receive funds from the Trust and directs the State Controller to reserve in that Fund any funds received from the Trust.*

*This section became effective July 1, 2018.*

Kory Goldsmith  
Director



Legislative Drafting  
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