



City of Pflugerville

Legislation Text

File #: RES-0970, **Version:** 1

Approving a resolution joining with the State of Texas and political subdivisions of the State as a party in the Texas opioid settlement agreements secured by the Office of the Attorney General; authorizing the City Manager to execute settlement participation forms; and providing an effective date.

Approving this Resolution authorizes the City of Pflugerville to enjoin the Texas Abatement Fund Council and Settlement Allocation as a result of the harm inflicted on Texas and its Political Subdivisions.

The Texas Attorney General maintains a website related to the Global Opioid Settlement <https://www.texasattorneygeneral.gov/globalopioidsettlement>, and it provides the following summary.

Nationally, the J&J and Distributor agreements provide for \$26 billion in payments over 18 years, with \$23.9 billion available for opioid abatement and significant amounts front loaded. Funding will be distributed to states according to the allocation agreement reached among the Attorneys General. Subdivisions can only participate in the agreement if their state participates. The recent settlements with Endo and Teva brings Texas' combined share to over \$1.6 billion: \$1.17 billion from the distributors, \$268 million from J&J, \$56 million from Endo, and \$131.5 from Teva. Teva will also be contributing \$75 million in Narcan to Texas. Distribution within Texas is governed by the Texas Term Sheet, an intrastate agreement between the state and litigating subdivisions, and administered by the Opioid Council.

The funding must be used to support any of a wide variety of strategies to fight the opioid crisis. Separate provisions exist to compensate attorneys who have pursued opioid litigation on behalf of states and local governments. Once the state agrees to participate, then the more subdivisions that join, the more money everyone in Texas will receive. Future opioid litigation may result in suspension and reduction of payments. Even without full resolution of claims, states and subdivisions can still receive substantial payments by resolving a significant portion of current and future claims. The City of Pflugerville anticipates receiving \$86,408.

The four agreements contain industry-changing injunctive terms. The distributors will be subject to more oversight and accountability, including an independent monitor, to prevent deliveries of opioids to pharmacies where diversion and misuse occur. They will be required to establish and fund an independent clearinghouse to track opioid distribution nationwide and flag suspicious orders. J&J, Endo, and Teva will be prohibited from selling or promoting opioids.

Prior City Council Action

The City Council approved Resolution 1908-21-09-14-0916 on September 14, 2021 adopting the Texas Term Sheet and joining the Distributors and J&J settlements.

Deadline for City Council Action

March 8, 2022. Deadline to submit is March 10, 2022.

Funding Expected: Revenue Expenditure N/A

Budgeted Item: Yes No N/A

Amount: _____

1295 Form Required? Yes No

Legal Review Required: N/A Required Date Completed: _____

Supporting documents attached:

Resolution

Recommended Action

Approve the resolution joining with the State of Texas in the Texas opioid settlement agreements and authorize the City Manager to execute the settlement participation forms.