



City of Pflugerville

Legislation Text

File #: RES-0916, **Version:** 1

Approving a Resolution with the caption reading: A Resolution of the City of Council of the City of Pflugerville, Texas ("City") 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 form; and establishing 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.

Texas, along with a broad coalition of states and subdivisions, has reached final agreements with four companies to resolve legal claims against for their role in the opioid crisis. One agreement is with opioid manufacturer Johnson & Johnson. The other is three major pharmaceutical distributors: AmerisourceBergen, Cardinal Health, and McKesson.

The two 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. Texas' combined share is almost \$1.5 billion: \$1.17 billion from the distributors and \$268 million from J&J. Distribution within Texas is handled through the Texas Term Sheet (Exhibit A with the Resolution), an intrastate agreement between the state and litigating subdivisions. The City of Pflugerville anticipates receiving \$86,408.

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.

Both agreements both 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 will be prohibited from selling or promoting opioids.

Prior City Council Action

The City Council received a briefing on this matter on August 24, 2021 in Executive Session, in which no action was taken.

Deadline for City Council Action

Action is requested on September 14, 2021, but the deadline to participate is January 2, 2022.

Funding Expected: Revenue Expenditure N/A

Budgeted Item: Yes No N/A

Amount: \$86,408

1295 Form Required? Yes No

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

Supporting documents attached:

Resolution

Recommended Action

Approve the Resolution to join 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; Authorize the City Manager to execute settlement participation form; and establish an effective date.