



Legislation Text

File #: 21-1001R, **Version:** 1

RESOLUTION AUTHORIZING PARTICIPATION IN NATIONAL PRESCRIPTION OPIOID SETTLEMENT.

CITY PROPOSAL:

WHEREAS, the state of Minnesota and numerous Minnesota cities and counties, are engaged in nationwide civil litigation against manufacturers and distributors of prescription opioids related to the opioid crisis (“Prescription Opioid Litigation”); and

WHEREAS, in April 2019, the city of Duluth filed its own lawsuit against manufacturers and distributors of prescription opioids (Case No. 0:19-CV-01077; MDL No. 1:17-MD-2804) and joined the Prescription Opioid Litigation; and

WHEREAS, state governments have negotiated proposed nation-wide settlements (“Opioid Litigation Settlements”) with some defendants, i.e., distributors McKesson, Cardinal Health and Amerisource Bergen (collectively, “Settling Distributors”), and manufacturer Janssen Pharmaceutical, Inc., and its parent company, Johnson & Johnson (collectively “Settling Manufacturer”); and

WHEREAS, there is a deadline of January 2, 2022, for a sufficient threshold of Minnesota cities and counties to sign on to the above-referenced Opioid Litigation Settlements; and

WHEREAS, the amount of settlement funds to be received by the state of Minnesota and its political subdivisions is directly tied to participation and timely sign-on by local government entities in the Opioid Litigation Settlements; and

WHEREAS, representatives of Minnesota’s local governments, the office of the attorney general, and the state of Minnesota have reached agreement on the intrastate allocation of these settlement funds between the state, and the counties and cities, as well as the permissible uses of these funds, which will be memorialized in the Minnesota Opioids State-Subdivision Memorandum of Agreement (the “State-Subdivision Agreement”); and

WHEREAS, during negotiations of the State-Subdivision Agreement, representatives of Minnesota’s counties prioritized flexibility in how local governments may use settlement funds for opioids abatement and remediation and advocated for counties to receive settlement allocations directly rather than using the distribution mechanism detailed in Minn. Stat. § 256.043, subd. 3(d); and

WHEREAS, in order to achieve the goals of flexibility and direct allocation, Minn. Stat. § 256.043, subd. 3(d), must be amended to remove a provision which would otherwise appropriate approximately 50 percent of the state’s settlement allocation to county social service agencies for statutorily-prescribed use(s); and

WHEREAS, the State-Subdivision Agreement creates an opportunity for local governments and the State to work collaboratively on a unified vision to deliver a robust abatement and remediation plan to address the opioid crisis in Minnesota; and

WHEREAS, as a litigating entity, the city of Duluth is entitled to receive funds under the Opioid Litigation Settlements; and

WHEREAS, it is in the best interests of the state of Minnesota and the residents of the city of Duluth and St. Louis county that the city participate in the Opioid Litigation Settlements.

NOW, THEREFORE, BE IT RESOLVED, that participation in the Opioid Litigation Settlements promotes the public health, safety, and welfare of the residents of the city of Duluth.

BE IT FURTHER RESOLVED, that the city of Duluth supports and opts in to the Opioid Litigation Settlements with the settling distributors McKesson, Cardinal Health, and Amerisource Bergen, and with the settling manufacturer Johnson & Johnson.

BE IT FURTHER RESOLVED, that city staff is hereby authorized to execute or ensure execution of all necessary documents to ensure city participation in the Opioid Litigation Settlements, including the Participation Agreement and accompanying Release, and the State-Subdivision Agreement.

BE IT FURTHER RESOLVED, that the city of Duluth supports amendment of Minn. Stat. § 256.043, subd. 3(d) to remove a provision which would appropriate approximately 50 percent of the state's settlement allocation to county social service agencies via the existing Opiate Epidemic Response Fund distribution mechanism for statutorily-prescribed use(s).

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize city officials to participate in a national prescription opioid settlement. A staff report from litigation counsel, Jared Shepard, is attached as Exhibit A.