TO: Mayor Shaun Sipma  
Members of the City Council

FROM: Kelly Hendershot

DATE: December 14, 2021

SUBJECT: NATIONAL OPIOID SETTLEMENT

I. RECOMMENDED ACTION

City staff recommends that the City Council direct staff to take the steps necessary to participate in the national opioid settlement by January 2, 2022.

II. DEPARTMENT CONTACT PERSONS

Kelly Hendershot – (701) 857-4755

III. DESCRIPTION

Nationwide settlements have been reached to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors. The money received from the settlements will be distributed over 18 years, and is earmarked for opioid abatement and remediation strategies.

The City of Minot should decide whether or not it will participate in the settlement by January 2, 2022. The City can elect to participate after that deadline – but there are deadlines imposed under the settlement, and participation by January 2, 2022 will maximize the benefit to state and political subdivisions as a whole.

The Attorney General is exploring legislation that will provide a framework for the use of the money that will flow into the state in a way that provides a maximum benefit for the state as a whole, regardless of where they live. The Attorney General is encouraging state and political subdivisions to accept the settlements and allocate its 15% Subdivision Fund under the settlement to the Joint Abatement Account Fund to be used for joint opioid abatement strategies and remediation uses statewide. The Attorney General intends to allocate the 15% State Fund under the settlements to the 70% Abatement Account Fund to be used for joint opioid abatement efforts. The proposed framework has not been completed yet, but upon receipt or knowledge of the same, staff will forward the framework to the City Council for its information.

IV. IMPACT:

The Attorney General’s office anticipates that the amount available to the state and political subdivisions combined, from these two settlements, is somewhere around a total of $45 million over 18 years.
If the City participates in the settlement, it must execute the settlement agreements, release all claims against the pharmaceutical distributors, agree to use the monies it receives for opioid remediation, and submits to the jurisdiction of the court where consent judgment is filed for purposes limited to that court’s role under this Agreement.

Additional information, copies of the settlement agreements, explanatory charts, and more can be found at www.nationalopioidsettlement.com

V. ALTERNATIVES

The City could elect not to participate in the settlements.

The City could propose an alternative to the settlements, or request more information regarding the settlements.

VI. TIME CONSTRAINTS

Confirming participation in the settlements by January 2, 2022 will maximize the benefit to state and political subdivisions as a whole.

VII. LIST OF ATTACHMENTS

A. Correspondence from Parrell Grossman, Assistant Attorney General, to North Dakota Cities and Counties.
B. AG Fact Sheet
C. National Opioid Settlement Overview
D. Participation Form.Distributors
E. Participation Form.Janssen