

City of Mesquite, Texas

Legislation Text

File #: 21-5711, **Version:** 1

A resolution approving the City joining a global opioid settlement of claims, adopting the State of Texas and Texas Political Subdivisions' Opioid Abatement Fund Council and Settlement Allocation Term Sheet and authorizing the City Attorney to execute such other documents necessary to facilitate the City's participation in the settlement.

The State of Texas, along with a broad coalition of states and political subdivisions, has reached final agreements with four companies to resolve legal claims against the companies for their role in the opioid crisis. One agreement is with opioid manufacturer Johnson & Johnson, and the other is with 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. Political subdivisions can only participate in the agreement if their state participates. Texas' combined share is almost \$1.5 billion. Distribution within Texas is handled through the Texas Term Sheet. The funding must be used to support any of a wide variety of strategies to fight the opioid crisis. 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.

Assuming maximum participation by Texas political subdivisions, the City's direct allocation of settlement proceeds is estimated at \$310,709.00.

Recommended/Desired Action

May be discussed in closed meeting.

Attachment(s)

Resolution

Drafter

David L. Paschall

Head of Department

David L. Paschall