

S.F. No. 4025 – Modifications to the opiate epidemic response fund

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SF 4025 makes a number of changes to the opiate epidemic response fund as part of a negotiated settlement agreement between the state, local governments, and several opiate manufacturers.

Section 1 (3.757) prohibits municipalities from asserting, filing, or enforcing a released claim against one of the settling defendants, and gives the attorney general the authority to appear or intervene where a municipality has asserted, filed, or asserted a released claim. A “released claim” is defined as any cause of action or other claim that has been released by the attorney general, on behalf of the state, as part of the statewide opiate settlement agreement.

Section 2 (16A.151, subd. 2) paragraph (f) removes the requirement that any money received by the state resulting from litigation brought by the state alleging violations related to the marketing, sale or distribution of opioids must be deposited into a separate account in the state treasury and must remain in the account until the total amount received by the state through litigation and revenue from opiate licensing fees and registration fees reaches \$250,000,000. This section specifies that any money received by the state through litigation must now be deposited into the new settlement account within the opiate epidemic response fund.

Paragraph (g) removes the requirement that if any settlement funds deposited into the separate account, an amount specified by the Board of pharmacy to make up for the lost revenue from the exemption to the opiate registration fee for medication assisted therapy (MAT) that was passed last session is to be transferred annually to the opiate epidemic response fund. This paragraph also specifies that if the state receives any future settlement payments from the previous McKinsey settlement, these funds are to be deposited into the new settlement account established within the opiate epidemic response fund.

Section 3 (151.066, subd. 3) removes the requirement that the board of pharmacy annually submit to the commissioner of management and budget the loss of opiate registration fee revenue due to the exemption for MAT opiates.

Section 4 (256.042, subd. 4) makes a conforming change to specify that the opiate epidemic response advisory council shall determine grant awards based on funds appropriated to the commissioner from the registration and license fee account and the settlement account.

Section 5 (256.043, subd. 1) requires the commissioner of management and budget to establish two accounts within the opiate epidemic response fund: a registration and license fee account and a settlement account. This section also specifies that revenue from the opiate registration fee and the opiate license fees are to be deposited into the registration and license fee account and any money received by the state resulting from a settlement agreement or court order from litigation brought by the state for violations of consumer fraud laws in the marketing, sale, or distribution of opioids are to be deposited into the settlement account.

Section 6 (256.043, subd. 3) specifies the annual appropriations from the registration and license fee account (these appropriations are the same as the current appropriations from the opiate epidemic response fund in current law). Makes other minor changes.

Section 7 (256.043, subd. 3a) specifies the annual appropriations from the settlement account.

Section 8 (256.043, subd. 4) clarifies that for purposes of determining when the state has received \$250,000,000 in settlement funds any money received as a result of a settlement agreement or court order and directly allocated or distributed by either the state or a municipality shall be counted in determining when that amount has been reached. Once this amount is reached the opiate registration fee is repealed and the opiate manufacturers' license fees are reduced. This section also specifies that regardless of the total amount received, the repeal of the registration fee and the reduction in the license fees are not to occur before July 1, 2031.

Sections 9 and 10 make technical changes to the appropriation to the commissioner of management and budget to conduct evaluation activities. (Last session this appropriation was extended past FY2024 when the original appropriation was to end. Since this appropriation is extended it was moved into the statute in section 6. These sections simply clean up the language from 2019 and 2021).

Section 11 transfers any money in the current separate account created under section 16A.151 to the new settlement account in the opiate epidemic response fund and specifies that the money transferred shall be appropriated to the commissioner of human services to award as grants as specified by the opiate epidemic response advisory council (OERAC).