

1 AN ACT relating to the opioid abatement trust fund.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 15.293 is amended to read as follows:

- 4 (1) As used in this section, "commission" means the Kentucky Opioid Abatement
5 Advisory Commission created in KRS 15.291.
- 6 (2) There is hereby established in the State Treasury a trust and agency account to be
7 known as the opioid abatement trust fund. Moneys in the fund are hereby
8 appropriated for the purposes set forth in KRS 15.291, distributed as described in
9 subsection (3) of this section, and shall not be appropriated or transferred by the
10 General Assembly for any other purposes.
- 11 (3) The fund shall consist of:
- 12 (a) Fifty percent (50%) of all proceeds received by the Commonwealth, counties,
13 consolidated local governments, urban-county governments, and cities of the
14 Commonwealth in any settlement or judgment ***or bankruptcy proceeding***
15 against McKesson Corporation, Cardinal Health 5, LLC, Amerisourcebergen
16 Drug Corporation, ~~and~~ Johnson & Johnson, ***and any named defendant in In***
17 ***re National Prescription Opiate Litigation, MDL No. 2804, Case No. 1:17-***
18 ***md-02804, in the United States District Court for the Northern District of***
19 ***Ohio***, and any of their affiliates or subsidiaries related to opioid
20 manufacturing or distribution to the extent included in a settlement agreement;
21 and
- 22 (b) Any other moneys received from state appropriations, gifts, grants, or federal
23 funds.
- 24 (4) (a) The fund shall not consist of the remaining fifty percent (50%) of all proceeds
25 received by the Commonwealth, counties, consolidated local governments,
26 urban-county governments, and cities of the Commonwealth in any settlement
27 or judgment ***or bankruptcy proceeding*** against McKesson Corporation,

1 Cardinal Health 5, LLC, Amerisourcebergen Drug Corporation, ~~and~~ Johnson
2 & Johnson, and any named defendant in In re National Prescription Opiate
3 Litigation, MDL No. 2804, Case No. 1:17-md-02804, in the United States
4 District Court for the Northern District of Ohio, and any of their affiliates or
5 subsidiaries related to opioid manufacturing or distribution to the extent
6 included in a settlement agreement.

- 7 (b) The remaining fifty percent (50%) of all proceeds not included in the fund
8 shall be paid to counties, consolidated local governments, urban-county
9 governments, and cities of the Commonwealth in accordance with the
10 negotiation class distribution metrics established in In re National
11 Prescription Opiate Litigation, MDL No. 2804, Case No. 1:17-md-02804, in
12 the United States District Court for the Northern District of Ohio. To the
13 extent that the negotiation class distribution metrics would result in a city
14 receiving a sum total of less than thirty thousand dollars (\$30,000) in any
15 individual settlement, judgment, or bankruptcy proceeding, such payments
16 shall be made to the county, consolidated local government, or urban-
17 county government in which that city sits~~[an agreement reached among them~~
18 ~~that incorporates the criteria of KRS 15.291(5). If no such agreement is~~
19 ~~reached, the money shall be paid to a trustee appointed jointly by the~~
20 ~~Kentucky Association of Counties and the Kentucky League of Cities for~~
21 ~~distribution of the funds to counties, consolidated local governments, urban-~~
22 ~~county governments, and cities of the Commonwealth using the criteria listed~~
23 ~~in KRS 15.291(5)].~~

- 24 (c) 1. Each recipient of moneys from the fund shall submit on an annual basis
25 a certification that the funds were used consistent with the criteria in
26 KRS 15.291(5), a description of the use of such funds, and such other
27 information as the commission requests through administrative

1 regulation.

2 2. a. Each county, consolidated local government, urban-county
3 government, or city of the Commonwealth that receives any
4 proceeds under paragraph (b) of this subsection shall submit, on an
5 annual basis a certification that the funds were used consistent
6 with the criteria in KRS 15.291(5), a list of fund recipients and
7 amounts, a description of the use of the funds, and any other
8 information as the commission requests through the promulgation
9 of an administrative regulation.

10 b. If a trustee is appointed under paragraph (b) of this subsection, the
11 certifications shall be sent to the trustee, and the trustee will
12 compile and submit one (1) report to the commission.

13 c. If a trustee is not appointed, the certifications shall be submitted to
14 the commission as provided by administrative regulation.

15 d. Funds shall be withheld from any county, consolidated local
16 government, urban-county government, or city of the
17 Commonwealth that does not comply with this paragraph until
18 such time as compliance is achieved.

19 (d) To the extent that a settlement has been reached in any litigation against the
20 companies listed in paragraph (a) of this subsection, each county, consolidated
21 local government, urban-county government, city, political subdivision, and
22 public agency, as that term is defined in KRS 61.805(2), of the
23 Commonwealth shall be deemed to have released its claims against the
24 companies listed in paragraph (a) of this subsection and their affiliates and
25 subsidiaries to the extent referenced in a settlement agreement, consent
26 judgment, order, or other document that reflects the terms of any settlement.

27 (5) Amounts deposited in the fund shall be used only for the purposes described in KRS

1 15.291.

2 (6) Notwithstanding KRS 45.229, moneys in the fund not expended at the close of a
3 fiscal year shall not lapse but shall be carried forward into the next fiscal year.

4 (7) Any interest earnings of the fund shall become a part of the fund and shall not lapse.

5 (8) Moneys in the fund shall be distributed no less than annually.

6 (9) (a) The Department of Law may recover its reasonable costs of litigation from the
7 moneys received under subsection (3)(a) of this section.

8 (b) The Department of Law may recover any direct costs, including employee
9 time, used to perform or administer the duties required by this section and
10 KRS 15.291 from the moneys received under subsection (3)(a) of this section.

11 The Department of Law shall report all such recovered costs to the
12 commission no less than annually.

13 (10) The commission shall continue to make distributions from the fund as long as
14 defendants in the opioid litigation make payments to the Commonwealth or until
15 the time that the moneys in the fund are exhausted.

16 ➔Section 2. Nothing in this Act shall establish or preclude the establishment of a
17 State Back-Stop agreement as defined in In re National Prescription Opiate Litigation,
18 MDL No. 2804, Case No. 1:17-md-02804, in the United States District Court for the
19 Northern District of Ohio.