

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H.B. 996
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40694-MGa-173

Short Title: Protect NC's Opioid Settlement Payments. (Public)

Sponsors: Representative Sasser.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT PROTECTING NATIONAL OPIOID SETTLEMENT PROCEEDS FOR NORTH
3 CAROLINA AND ITS UNITS OF LOCAL GOVERNMENT BY PROHIBITING THE
4 ASSERTION OF ANY RELEASED CLAIMS AGAINST ANY RELEASED ENTITIES
5 PURSUANT TO THE FINAL CONSENT JUDGMENTS RESOLVING THIS
6 LITIGATION.

7 The General Assembly of North Carolina enacts:

8 SECTION 1. Chapter 122C of the General Statutes is amended by adding a new
9 Article to read:

10 "Article 7.

11 "Legislative Release to Protect National Opioid Settlement Payments.

12 "§ 122C-470.2. Definitions.

13 Definitions. – The following definitions apply in this Article:

- 14 (1) "Opioid Consent Judgments" means the final consent judgments, including all
15 exhibits, resolving the following cases in the General Court of Justice,
16 Superior Court Division, Wake County:
17 a. State of North Carolina, ex rel. Joshua H. Stein, Attorney General v.
18 McKesson Corporation; Cardinal Health, Inc.; and
19 AmerisourceBergen Corporation, No. 22CV4020.
20 b. State of North Carolina ex rel. Joshua H. Stein, Attorney General v.
21 Johnson & Johnson; Janssen Pharmaceuticals, Inc.;
22 Ortho-McNeil-Janssen Pharmaceuticals, Inc.; and Janssen
23 Pharmaceutica, Inc., No. 22CV4244.
24 (2) "Released Claim" means any claim defined as Released Claims in the Opioid
25 Consent Judgments.
26 (3) "Released Entity" means any entity defined as Released Entities in the Opioid
27 Consent Judgments, including Johnson & Johnson, Janssen Pharmaceuticals,
28 Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., Janssen Pharmaceutica,
29 Inc., McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen
30 Corporation.
31 (4) "State" means the State of North Carolina and includes every public office,
32 public officer or official (elected or appointed), institution, board,
33 commission, bureau, council, department, or authority or other unit of
34 government of the State.
35 (5) "Unit of Local Government" means every public office, public officer or
36 official (elected or appointed), institution, board, commission, bureau,



1 council, department, authority or other unit of government of any county, unit,
2 special district, or other political subdivision of government, including, but
3 not limited to, a county; city; consolidated city-county; local school
4 administrative unit; community college; area mental health, developmental
5 disabilities, and substance abuse authority; nonprofit corporation or
6 association operating or leasing a public hospital; public health authority;
7 water or sewer authority; metropolitan sewerage district; sanitary district;
8 county water and sewer district; metropolitan water district; metropolitan
9 water and sewerage district; airport authority; airport board or commission;
10 regional natural gas district; regional transportation authority; regional public
11 transportation authority; ferry transportation authority; a special district
12 created under Article 43 of Chapter 105 of the General Statutes; or any other
13 local or regional authority, district, board, commission, or administrative unit.

14 **"§ 122C-470.4. Legislative findings.**

15 The General Assembly makes the following findings:

- 16 (1) The opioid epidemic has taken the lives of more than 20,000 North
17 Carolinians, caused immeasurable suffering and harm, and imposed
18 substantial costs on the State, counties, municipalities, healthcare and social
19 service providers, residents, and others.
- 20 (2) The epidemic was fueled by misconduct on the part of the settling opioid
21 defendants and other companies engaged in the manufacture, marketing,
22 promotion, distribution, or dispensing of prescription opioid medications.
- 23 (3) The State, through its Attorney General, engaged in investigations, litigation,
24 and settlement discussions involving defendants, and 76 counties and eight
25 municipalities, through their counsel, filed lawsuits against defendants
26 seeking to hold the settling defendants accountable for the damage caused by
27 their misconduct.
- 28 (4) On July 21, 2021, a national coalition of states and political subdivisions
29 announced agreements with the settling opioid defendants to resolve legal
30 claims against those companies stemming from actions that fueled the opioid
31 epidemic.
- 32 (5) The State, all 100 counties, and 47 municipalities in North Carolina have
33 formally joined the agreements. On March 11, 2022, all of North Carolina's
34 litigating counties and municipalities dismissed their lawsuits against the
35 settling defendants. On April 6, and April 26, 2022, the General Court of
36 Justice, Superior Court Division, Wake County, entered the Opioid Consent
37 Judgments making the agreements effective in North Carolina.
- 38 (6) The agreements provide for payments totaling twenty-six billion dollars
39 (\$26,000,000,000) over 18 years, with more than twenty-three billion nine
40 hundred million dollars (\$23,900,000,000) available to fund state and local
41 efforts to address the epidemic nationwide. North Carolina's share of the
42 payments will be distributed among the State and its Units of Local
43 Government pursuant to a Memorandum of Agreement, to which the State and
44 more than 140 Units of Local Government have agreed. The Memorandum of
45 Agreement was approved through the Opioid Consent Judgments and
46 establishes the means by which payments will be distributed in North
47 Carolina.
- 48 (7) Pursuant to the agreements, North Carolina's share of the payments is
49 approximately seven hundred fifty million dollars (\$750,000,000) over a
50 period of 18 years. North Carolina and its Units of Local Government can
51 secure their entitlement to that full amount, but only if opioid litigation in

1 North Carolina asserting Released Claims against Released Entities comes to
2 an end with no new claims.

3 (8) Newly filed Released Claims against Released Entities would frustrate the
4 purposes of the agreements, would put North Carolina's share of the payments
5 at risk, and would harm the people of North Carolina, all Units of Local
6 Government, and the State.

7 **"§ 122C-470.6. Legislative intent.**

8 It is the intent of this Article to prevent the assertion of Released Claims against Released
9 Entities by the State and its Units of Local Government, and thereby to help secure, on behalf of
10 North Carolina's Units of Local Government, the State, and the people of North Carolina, the full
11 share to which the State, its Units of Local Government, and its people are otherwise entitled
12 under the Opioid Consent Judgments.

13 **"§ 122C-470.8. Prohibition on assertion of Released Claims against Released Entities.**

14 Neither a Unit of Local Government nor the State may assert any Released Claims against
15 Released Entities.

16 **"§ 122C-470.10. Preservation of remedies.**

17 This Article preserves all remedies the State or any Unit of Local Government may have
18 under the Opioid Consent Judgments. Nothing in this Article shall be construed to limit or
19 otherwise affect such remedies."

20 **SECTION 2.** G.S. 122C-470.8 applies to all Released Claims, as defined in
21 G.S. 122C-470.2, whether originally asserted before or after the effective date of this act.

22 **SECTION 3.** This act is effective when it becomes law.