

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 224

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

Sponsors: Representatives Sasser, Ball, Bell, and Setzer (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Health, if favorable, Judiciary 1, if favorable, Rules, Calendar, and Operations of  
the House

March 2, 2023

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) Initial Opioid Consent Judgments. – The final consent judgments, including  
15 all 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) Initial Released Claim. – Any claim defined as Released Claims in the Initial  
25 Opioid Consent Judgments.  
26 (3) Initial Released Entity. – 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) Initial Settling Opioid Defendants. – Johnson & Johnson, Janssen  
32 Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., Janssen  
33 Pharmaceutica, Inc., McKesson Corporation, Cardinal Health, Inc., and  
34 AmerisourceBergen Corporation.



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- 1           (5)    State. – The State of North Carolina and includes every public office, public  
2           officer or official (elected or appointed), institution, board, commission,  
3           bureau, council, department, or authority or other unit of government of the  
4           State.
- 5           (6)    Subsequent Opioid Settlement Agreements. – The national opioid settlement  
6           agreement announced in November and December 2022, with the Subsequent  
7           Settling Opioid Defendants.
- 8           (7)    Subsequent Released Claim. – Any claim defined as Released Claims in the  
9           Subsequent Opioid Settlement Agreements.
- 10          (8)    Subsequent Released Entity. – Any entity defined as Released Entities in the  
11          Subsequent Opioid Settlement Agreements, including Walmart, Inc., Teva  
12          Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited,  
13          CVS Health Corporation, CVS Pharmacy, Inc., and Walgreen Co.
- 14          (9)    Subsequent Settling Opioid Defendants. – Walmart, Inc., Teva  
15          Pharmaceutical Industries Ltd., Allergan Finance, LLC, Allergan Limited,  
16          CVS Health Corporation, CVS Pharmacy, Inc., and Walgreen Co.
- 17          (10)   Unit of Local Government. – Every public office, public officer or official  
18          (elected or appointed), institution, board, commission, bureau, council,  
19          department, or authority or other unit of government of any county, unit,  
20          special district, or other political subdivision of government, including, but  
21          not limited to, a county; city; consolidated city-county; local school  
22          administrative unit; community college; area mental health, developmental  
23          disabilities, and substance abuse authority; nonprofit corporation or  
24          association operating or leasing a public hospital; public health authority;  
25          water or sewer authority; metropolitan sewerage district; sanitary district;  
26          county water and sewer district; metropolitan water district; metropolitan  
27          water and sewerage district; airport authority; airport board or commission;  
28          regional natural gas district; regional transportation authority; regional public  
29          transportation authority; ferry transportation authority; a special district  
30          created under Article 43 of Chapter 105 of the General Statutes; or any other  
31          local or regional authority, district, board, commission, or administrative unit.

32    **§ 122C-470.4. Legislative findings.**

33    The General Assembly makes the following findings:

- 34          (1)    The opioid epidemic has taken the lives of more than 32,000 North  
35          Carolinians, caused immeasurable suffering and harm, and imposed  
36          substantial costs on the State, counties, municipalities, healthcare and social  
37          service providers, residents, and others.
- 38          (2)    The epidemic was fueled by misconduct on the part of the Initial Settling  
39          Opioid Defendants and other companies engaged in the manufacture,  
40          marketing, promotion, distribution, or dispensing of prescription opioid  
41          medications.
- 42          (3)    The State, through its Attorney General, engaged in investigations, litigation,  
43          and settlement discussions involving the Initial Settling Opioid Defendants,  
44          Subsequent Settling Opioid Defendants, and 76 counties and eight  
45          municipalities, through their counsel, filed lawsuits against at least one of the  
46          Initial Settling Opioid Defendants or Subsequent Settling Opioid Defendants  
47          seeking to hold them accountable for the damage caused by their misconduct.
- 48          (4)    On July 21, 2021, a national coalition of states and political subdivisions  
49          announced agreements with the Initial Settling Opioid Defendants to resolve  
50          legal claims against those companies stemming from actions that fueled the  
51          opioid epidemic.

- 1           (5)    The State, all 100 counties, and 47 municipalities in North Carolina have  
2           formally joined the agreements with the Initial Settling Opioid Defendants.  
3           On March 11, 2022, all of North Carolina's litigating counties and  
4           municipalities dismissed their lawsuits against the Initial Settling Opioid  
5           Defendants. On April 6 and April 26, 2022, the General Court of Justice,  
6           Superior Court Division, Wake County, entered the Initial Opioid Consent  
7           Judgments making the agreements with the Initial Settling Opioid Defendants  
8           effective in North Carolina.
- 9           (6)    The Initial Opioid Consent Judgments provide for payments of up to  
10          twenty-six billion dollars (\$26,000,000,000) over 18 years, with more than  
11          twenty-three billion nine hundred million dollars (\$23,900,000,000) available  
12          to fund state and local efforts to address the opioid epidemic nationwide.
- 13          (7)    Pursuant to the Initial Opioid Consent Judgments, North Carolina's share of  
14          the payments is up to approximately seven hundred fifty million dollars  
15          (\$750,000,000) over 18 years. North Carolina's share of the payments will be  
16          distributed among the State and its Units of Local Government pursuant to a  
17          Memorandum of Agreement, to which the State and more than 140 Units of  
18          Local Government have agreed. The Memorandum of Agreement was  
19          approved through the Initial Opioid Consent Judgments and establishes the  
20          means by which payments will be distributed in North Carolina.
- 21          (8)    In November and December 2022, a national coalition of states and political  
22          subdivisions announced agreements with the Subsequent Settling Opioid  
23          Defendants to resolve legal claims against those companies stemming from  
24          actions that fueled the opioid epidemic.
- 25          (9)    The settlements with the Subsequent Settling Opioid Defendants are  
26          contingent on the participation of a critical mass of states and political  
27          subdivisions. The State has formally notified all Subsequent Settling Opioid  
28          Defendants of its intent to join the Subsequent Opioid Settlement Agreements.  
29          Units of Local Government have an opportunity to formally join the  
30          Subsequent Opioid Settlement Agreements in early 2023.
- 31          (10)   The Subsequent Opioid Settlement Agreements provide for payments of up to  
32          twenty billion four hundred million dollars (\$20,400,000,000) over 15 years.  
33          North Carolina's share of the payments is up to approximately six hundred  
34          million dollars (\$600,000,000). It is expected that North Carolina's share of  
35          the payments will be distributed among the State and its Units of Local  
36          Government pursuant to a supplemental agreement for additional funds, to  
37          which the State has agreed, and which Units of Local Government have the  
38          opportunity to approve in early 2023. This money is available to fund State  
39          and local efforts to address the opioid epidemic nationwide.
- 40          (11)   North Carolina and its Units of Local Government can secure the full one  
41          billion three hundred fifty million dollars (\$1,350,000,000) available under  
42          the Initial Opioid Consent Judgments and Subsequent Opioid Settlement  
43          Agreements only if opioid litigation in North Carolina asserting Initial  
44          Released Claims against Initial Released Entities and Subsequent Released  
45          Claims against Subsequent Released Entities comes to an end with no new  
46          claims. Newly filed Initial Released Claims against Initial Released Entities,  
47          or newly filed Subsequent Released Claims against Subsequent Released  
48          Entities, would frustrate the purposes of the agreements, would put North  
49          Carolina's share of the payments at risk, and would harm the people of North  
50          Carolina, all Units of Local Government, and the State.

51    § 122C-470.6. Legislative intent.

1 It is the intent of this Article to prevent the assertion of Initial Released Claims and  
2 Subsequent Released Claims against Initial Released Entities and Subsequent Released Entities  
3 by the State and its Units of Local Government, and thereby to help secure, on behalf of North  
4 Carolina's Units of Local Government, the State, and the people of North Carolina, the full share  
5 to which the State, its Units of Local Government, and its people are otherwise entitled under the  
6 Initial Opioid Consent Judgments and the Subsequent Opioid Settlement Agreements.

7 **"§ 122C-470.8. Prohibition on assertion of Released Claims against Released Entities.**

8 Neither a Unit of Local Government nor the State may assert any Initial Released Claims  
9 against Initial Released Entities, or any Subsequent Released Claims against Subsequent  
10 Released Entities. Notwithstanding this section, the State, as expressly contemplated in the  
11 Subsequent Opioid Settlement Agreements, may initiate civil actions asserting Subsequent  
12 Released Claims against Subsequent Released Entities for the purpose of obtaining consent  
13 judgments that effectuate the Subsequent Opioid Settlement Agreements, including the release  
14 of such claims.

15 **"§ 122C-470.10. Preservation of remedies.**

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

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

21 **SECTION 3.** G.S. 122C-470.8 applies to all Subsequent Released Claims, as defined  
22 in G.S. 122C-470.2, whether originally asserted before or after the effective date of this act,  
23 except that G.S. 122C-470.8 does not apply to Subsequent Released Claims against Subsequent  
24 Released Entities that were included in any lawsuits filed by a Unit of Local Government prior  
25 to November 1, 2022. If the Subsequent Opioid Settlement Agreements with respect to all of the  
26 Subsequent Settling Opioid Defendants are not entered as consent judgments by the Superior  
27 Court of Wake County by December 31, 2023, then, beginning on January 1, 2024,  
28 G.S. 122C-470.8 shall only apply to Subsequent Released Claims against Subsequent Released  
29 Entities covered by a consent judgment approved by a North Carolina court of competent  
30 jurisdiction.

31 **SECTION 4.** This act is effective when it becomes law.