

AN ACT

relating to the creation of the opioid abatement account, an opioid abatement trust fund, and a statewide opioid settlement agreement.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 403, Government Code, is amended by adding Subchapter R to read as follows:

SUBCHAPTER R. STATEWIDE OPIOID SETTLEMENT AGREEMENT

Sec. 403.501. DEFINITIONS. In this subchapter:

(1) "Account" means the opioid abatement account established by Section 403.505.

(2) "Council" means the Texas opioid abatement fund council established by Section 403.503 to manage the distribution of money allocated to the council from the opioid abatement trust fund in accordance with a statewide opioid settlement agreement.

(3) "Fund" means the opioid abatement trust fund established by Section 403.506.

(4) "Released entity" means an entity against which a claim is released under a statewide opioid settlement agreement.

(5) "Statewide opioid settlement agreement" means all settlement agreements and related documents entered into by this state through the attorney general, political subdivisions that have brought a civil action for an opioid-related harm claim against an opioid manufacturer, distributor, or retailer, and opioid manufacturers, distributors, or retailers relating to

1 illegal conduct in the marketing, promotion, sale, distribution,
2 and dispensation of opioids that provide relief for this state and
3 political subdivisions of this state.

4 (6) "Trust company" means the Texas Treasury
5 Safekeeping Trust Company.

6 Sec. 403.502. SETTLEMENT RECORDS. The attorney general and
7 comptroller shall maintain a copy of a statewide opioid settlement
8 agreement, including any amendments to the agreement, and make the
9 copy available on the attorney general's and comptroller's Internet
10 websites.

11 Sec. 403.503. TEXAS OPIOID ABATEMENT FUND COUNCIL.

12 (a) The Texas opioid abatement fund council is established to
13 ensure that money recovered by this state through a statewide
14 opioid settlement agreement is allocated fairly and spent to
15 remediate the opioid crisis in this state by using efficient and
16 cost-effective methods that are directed to regions of this state
17 experiencing opioid-related harms.

18 (b) The council is composed of the following 14 members:

19 (1) six regional members, appointed by the executive
20 commissioner of the Health and Human Services Commission, who are
21 from academia or the medical profession with significant experience
22 in opioid interventions and who each are appointed to represent one
23 of the following groups of regional health care partnership
24 regions:

25 (A) regions 9 and 10;

26 (B) region 3;

27 (C) regions 11, 12, 13, 14, 15, and 19;

1 (D) regions 6, 7, 8, and 16;

2 (E) regions 1, 2, 17, and 18; and

3 (F) regions 4, 5, and 20;

4 (2) four members who are current or retired health
5 care professionals holding or formerly holding a license under
6 Title 3, Occupations Code, with significant experience in treating
7 opioid-related harms and who are appointed as follows:

8 (A) one member appointed by the governor;

9 (B) one member appointed by the lieutenant
10 governor;

11 (C) one member appointed by the speaker of the
12 house of representatives; and

13 (D) one member appointed by the attorney general;

14 (3) one member who is employed by a hospital district
15 and is appointed by the governor;

16 (4) one member who is employed by a hospital district
17 and is appointed by the attorney general;

18 (5) one member appointed by the governor and who is a
19 member of a law enforcement agency and has experience with
20 opioid-related harms; and

21 (6) one nonvoting member who serves as the presiding
22 officer of the council and is the comptroller or the comptroller's
23 designee.

24 (c) In making appointments under Subsection (b)(1), the
25 executive commissioner of the Health and Human Services Commission
26 shall appoint members from a list of two qualified candidates
27 provided by the governing bodies of counties and municipalities

1 that:

2 (1) brought a civil action for an opioid-related harm
3 against a released entity;

4 (2) released an opioid-related harm claim in a
5 statewide opioid settlement agreement; and

6 (3) are located within the regions for which the
7 member is being appointed.

8 (d) In making appointments under Subsection (b), the
9 governor, lieutenant governor, speaker of the house of
10 representatives, and attorney general shall coordinate to ensure
11 that the membership of the council reflects, to the extent
12 possible, the ethnic and geographic diversity of this state.

13 (e) The council is administratively attached to the
14 comptroller. The comptroller shall provide the staff and
15 facilities necessary to assist the council in performing its
16 duties.

17 Sec. 403.504. COUNCIL OPERATION. (a) A council member is
18 not entitled to compensation for council service but is entitled to
19 reimbursement for actual and necessary expenses incurred in
20 performing council duties.

21 (b) The council may hold public meetings as necessary to
22 fulfill its duties under this subchapter.

23 (c) The council is subject to Chapters 551 and 552.

24 Sec. 403.505. OPIOID ABATEMENT ACCOUNT. (a) The opioid
25 abatement account is a dedicated account in the general revenue
26 fund administered by the comptroller.

27 (b) The account is composed of:

1 (1) money obtained from a statewide opioid settlement
2 agreement and deposited in the account under Section 403.507;

3 (2) money received by the state from any other source
4 resulting directly or indirectly from an action by the state
5 against an opioid manufacturer, an opioid distributor, or another
6 person in the opioid industry relating to a violation of state or
7 federal law on the manufacture, marketing, distribution, or sale of
8 opioids, other than money distributed to a political subdivision of
9 the state in accordance with the terms of a settlement agreement or
10 judgment;

11 (3) money appropriated or transferred to the account
12 by the legislature;

13 (4) gifts and grants contributed to the account; and

14 (5) earnings on the principal of the account.

15 (c) Money in the account may be appropriated only to a state
16 agency for the abatement of opioid-related harms.

17 (d) A state agency may use money appropriated from the
18 account only to:

19 (1) prevent opioid use disorder through
20 evidence-based education and prevention, such as school-based
21 prevention, early intervention, or health care services or programs
22 intended to reduce the risk of opioid use by school-age children;

23 (2) support efforts to prevent or reduce deaths from
24 opioid overdoses or other opioid-related harms, including through
25 increasing the availability or distribution of naloxone or other
26 opioid antagonists for use by health care providers, first
27 responders, persons experiencing an opioid overdose, families,

1 schools, community-based service providers, social workers, or
2 other members of the public;

3 (3) create and provide training on the treatment of
4 opioid addiction, including the treatment of opioid dependence with
5 each medication approved for that purpose by the United States Food
6 and Drug Administration, medical detoxification, relapse
7 prevention, patient assessment, individual treatment planning,
8 counseling, recovery supports, diversion control, and other best
9 practices;

10 (4) provide opioid use disorder treatment for youths
11 and adults, with an emphasis on programs that provide a continuum of
12 care that includes screening and assessment for opioid use disorder
13 and co-occurring behavioral health disorders, early intervention,
14 contingency management, cognitive behavioral therapy, case
15 management, relapse management, counseling services, and
16 medication-assisted treatments;

17 (5) provide patients suffering from opioid dependence
18 with access to all medications approved by the United States Food
19 and Drug Administration for the treatment of opioid dependence and
20 relapse prevention following opioid detoxification, including
21 opioid agonists, partial agonists, and antagonists;

22 (6) support efforts to reduce the abuse or misuse of
23 addictive prescription medications, including tools used to give
24 health care providers information needed to protect the public from
25 the harm caused by improper use of those medications;

26 (7) support treatment alternatives that provide both
27 psychosocial support and medication-assisted treatments in areas

1 with geographical or transportation-related challenges, including
2 providing access to mobile health services and telemedicine,
3 particularly in rural areas;

4 (8) address:

5 (A) the needs of persons involved with criminal
6 justice; and

7 (B) rural county unattended deaths; or

8 (9) further any other purpose related to opioid
9 abatement authorized by appropriation.

10 (e) Section 404.071 does not apply to the account.

11 Sec. 403.506. OPIOID ABATEMENT TRUST FUND. (a) The opioid
12 abatement trust fund is a trust fund established outside of the
13 state treasury for the purposes of this subchapter that is
14 administered by the trust company. The trust company may authorize
15 money from the fund to be invested with money from the state
16 treasury.

17 (b) The fund consists of:

18 (1) money obtained under a statewide opioid settlement
19 agreement and deposited in the fund under Section 403.507; and

20 (2) interest, dividends, and other income of the fund.

21 (c) The trust company shall:

22 (1) distribute to counties and municipalities to
23 address opioid-related harms in those communities an amount equal
24 to 15 percent of the total amount of money obtained under a
25 statewide opioid settlement agreement and distributed to the fund
26 and the account under Section 403.507; and

27 (2) allocate an amount equal to 70 percent of the total

1 amount of money obtained under a statewide opioid settlement
2 agreement and distributed to the fund and the account under Section
3 403.507 as follows:

4 (A) \$5 million of the amount distributed to the
5 fund to the Texas Access to Justice Foundation to be expended only
6 on the order of the Supreme Court of Texas for the purpose of
7 providing basic civil legal services to indigent persons directly
8 impacted by opioid-use disorders, including children who need basic
9 civil legal services as a result of opioid-use disorders by a
10 parent, legal guardian or caretaker; and

11 (B) the remainder of that 70 percent to the
12 council.

13 (d) The trust company shall distribute money allocated
14 under Subsection (c)(2) at the direction of the council.

15 (e) The council shall provide to the trust company an annual
16 forecast of money deposited and withdrawn from the fund and provide
17 updates to the forecast as appropriate to ensure the trust company
18 is able to achieve the council's directives.

19 (f) In investing money from the fund and subject to the
20 council's direction, the trust company has the same investment
21 authority with respect to the fund as the comptroller has under
22 Sections 404.0241(a) and (c) with respect to the economic
23 stabilization fund.

24 Sec. 403.507. DEPOSIT AND ALLOCATION OF SETTLEMENT MONEY;
25 EFFECT OF BANKRUPTCY. (a) Money obtained under a statewide opioid
26 settlement agreement must be deposited as provided by this section
27 and further allocated in accordance with the settlement agreement.

1 (b) Of money obtained under a statewide opioid settlement
2 agreement:

3 (1) 15 percent shall be deposited into the account;

4 and

5 (2) 85 percent shall be deposited into the fund.

6 (c) For the purposes of a statewide opioid settlement
7 agreement in relation to a bankruptcy plan for a released entity,
8 money is distributed in accordance with the bankruptcy plan.

9 Sec. 403.508. COUNCIL ALLOCATION OF MONEY. (a) Of the
10 money allocated to the council under Section 403.506(c)(2), the
11 council shall allocate:

12 (1) one percent to the comptroller for the
13 administration of the council and this subchapter;

14 (2) 15 percent to hospital districts; and

15 (3) the remaining money based on the opioid abatement
16 strategy developed by the council under Section 403.509.

17 (b) The comptroller may spend money from the fund for
18 purposes of Subsection (a)(1). If the comptroller determines that
19 the allocation under that subdivision exceeds the amount that is
20 reasonable and necessary for the comptroller to administer the
21 council and this subchapter, the comptroller may reallocate the
22 excess money in accordance with Subsection (a)(3).

23 Sec. 403.509. COUNCIL POWERS AND DUTIES AND
24 COUNCIL-APPROVED OPIOID ABATEMENT STRATEGY. (a) The council
25 shall:

26 (1) determine and approve one or more evidence-based
27 opioid abatement strategies that include:

1 (A) an annual regional allocation methodology to
2 distribute 75 percent of money distributed under Section
3 403.508(a)(3) based on population health information and
4 prevalence of opioid incidences as provided by law; and

5 (B) an annual targeted allocation to distribute
6 25 percent of money distributed under Section 403.508(a)(3) for
7 targeted interventions as identified by opioid incidence
8 information;

9 (2) wholly or partly reallocate the targeted money
10 between regions if a region for which targeted money is allocated is
11 unable to use all of the targeted money;

12 (3) develop an application and award process for
13 funding;

14 (4) review grant funding applications and provide
15 grant awards and funding allocations;

16 (5) monitor grant agreements authorized by this
17 subchapter and require each grant recipient to comply with the
18 terms of the grant agreement or reimburse the grant to the council;
19 and

20 (6) determine the percentage of money that may be used
21 for development of education and outreach programs to provide
22 materials on the consequences of opioid drug use and prevention and
23 intervention, including online resources and toolkits.

24 (b) The council may reallocate money between regions based
25 on the funding needs of all regions if money allocated to a region
26 lapses or is not used in the year that the money is allocated for use
27 in the region.

1 (c) To approve any decision or strategy, at least four of
2 the members appointed under Section 403.503(b)(1) and four of the
3 members appointed under Sections 403.503(b)(2)-(5) must approve
4 the decision or strategy.

5 Sec. 403.510. REPORT. Not later than October 1 of each
6 year, the council shall submit a written report to the legislature
7 detailing all expenditures made by the council during the preceding
8 state fiscal year.

9 Sec. 403.511. RULEMAKING. The council may adopt rules to
10 implement this subchapter.

11 SECTION 2. The individuals responsible for appointing the
12 Texas opioid abatement fund council under Section 403.503,
13 Government Code, as added by this Act, shall make all appointments
14 under that section not later than the 60th day after the effective
15 date of this Act.

16 SECTION 3. The comptroller of public accounts is required
17 to implement a provision of this Act only if the legislature
18 appropriates money specifically for that purpose. If the
19 legislature does not appropriate money specifically for that
20 purpose, the comptroller may, but is not required to, implement a
21 provision of this Act using other appropriations available for that
22 purpose.

23 SECTION 4. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1827 passed the Senate on April 28, 2021, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 29, 2021, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1827 passed the House, with amendments, on May 24, 2021, by the following vote: Yeas 143, Nays 0, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor