

ASSEMBLY, No. 3941

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED APRIL 13, 2020

Sponsored by:

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblywoman VALERIE VAINIERI HUTTLE

District 37 (Bergen)

SYNOPSIS

Provides for funds received from opioid litigation or settlements to be dedicated for use in financing substance use disorder prevention and treatment programs and services in New Jersey.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/5/2021)

1 AN ACT concerning the dedication and distribution of funds received
2 from opioid settlements and supplementing Title 26 of the Revised
3 Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. The Legislature finds and declares that:

9 a. It is becoming clear that the State of New Jersey will receive
10 a significant amount of settlement dollars from litigation that has
11 been undertaken against opioid manufacturers and distributors for
12 their contributions to the State and nation's opioid epidemic.

13 b. These opioid-related settlements are historic and will
14 potentially result in the distribution of hundreds of millions of dollars
15 to the State and to local governments.

16 c. In the 1990s, four of the largest tobacco companies entered
17 into a similar settlement agreement with 46 states that had filed more
18 than 800 claims against them. In many of those states, however,
19 moneys received from the settlement were not used to reduce or
20 eliminate tobacco usage, but were instead used for law enforcement
21 purposes, deficit reduction, or for bolstering the states' general funds.
22 Tobacco usage, meanwhile, continues to cause problems both for
23 individuals and for society as a whole.

24 d. Despite the success of recent lawsuits against opioid
25 manufacturers and distributors, the opioid epidemic continues to
26 ravage the State and nation's communities, and the societal harms
27 caused thereby continue to be great.

28 e. According to the State Department of Health, eight persons
29 lose their lives in New Jersey each day as the result of an opioid
30 overdose.

31 f. The opioid epidemic also strains families, fills jails, burdens
32 social services, and has a high cost to taxpayers. A 2019 report by
33 the Trump Administration found that the opioid epidemic cost nearly
34 \$700 billion in 2018 alone.

35 g. Although the Department of Human Services provides
36 numerous programs and services to prevent opioid overdoses and aid
37 in the treatment of opioid dependency and addiction in the State, and
38 although numerous non-profit community-based services are also
39 available throughout the State to assist and provide treatment and
40 recovery services to persons with opioid use disorders, sufficient
41 funding is needed to support and expand these programs and ensure
42 that appropriate substance use disorder treatment services are
43 available throughout the State to all who need them.

44 h. The COVID-19 pandemic, declared by the World Health
45 Organization in March 2020, has resulted in the significant lock-
46 down of society and the imposition of new social distancing rules
47 throughout the State and nation. This has made it much harder to
48 reach and provide effective treatment and recovery services to

1 persons who have opioid and other substance use disorders, and it
2 has additionally reduced the social support network that is available
3 to individuals who are currently in treatment for, or are recovering
4 from, opioid dependence or addiction. It is not clear when the
5 COVID-19 pandemic will subside, and it is possible that the disease
6 will be present in society on a long-term basis. As a result, there is
7 an urgent need, now more than ever, to sustain and increase funding
8 for the State agencies and community providers that are continuing
9 to provide substance use disorder treatment services in these
10 uncertain and changing times.

11 i. In order to ensure that the State is better able to proactively
12 and effectively prevent and reduce opioid addiction, reduce overdose
13 deaths, restore communities, and otherwise address and mitigate the
14 problems arising in New Jersey as a result of the opioid epidemic, it
15 is both reasonable and necessary for the State to: (1) establish a
16 special fund to receive all moneys obtained thereby through the
17 settlement or litigation of lawsuits filed against opioid manufacturers
18 or distributors; and (2) dedicate the moneys deposited in the fund for
19 use in facilitating and expanding the State's substance use disorder
20 prevention and treatment efforts.

21
22 2. a. There is created in the Department of the Treasury a
23 dedicated, non-lapsing fund to be known as the "Opioid Settlement
24 Treatment Support Fund."

25 b. The State Treasurer shall deposit into the fund any moneys
26 that are allocated to or otherwise received by the State as a result of
27 a settlement agreement entered into, or litigation undertaken against,
28 opioid manufacturers and distributors. Any interest and other income
29 earned on moneys in the fund, and any other moneys that may be
30 appropriated or otherwise become available for purposes of the fund,
31 shall be credited to and deposited in the fund.

32 c. (1) Moneys in the fund shall be dedicated and used only for
33 the purposes of financing, expanding, enhancing, and modernizing
34 substance use disorder prevention and treatment programs and
35 services in the State, particularly those programs and services that
36 focus on: (a) the prevention or treatment of opioid use disorders; or
37 (b) the prevention or treatment of opioid and other substance use
38 disorders occurring among members of particularly vulnerable
39 populations or groups of individuals, including, but not limited to,
40 inmates, parolees, and probationers; persons who have both a
41 substance use disorder and a co-occurring mental illness; and persons
42 who are socially or physically isolated, whether as a result of the
43 COVID-19 pandemic or for any other reason.

44 (2) The Legislature shall annually appropriate moneys in the fund
45 to the Department of Human Services, which shall allocate the
46 appropriated funds to the Division of Mental Health and Addiction
47 Services and the Office of Licensing in the department, and to
48 community-based service providers through the issuance of grants,

1 as may be deemed by the Commissioner of Human Services to be
2 necessary and appropriate to effectuate the purposes specified in
3 paragraph (1) of this subsection.

4
5 3. This act shall take effect immediately.
6
7

8 STATEMENT
9

10 This bill would establish, in the Department of the Treasury, a
11 dedicated, non-lapsing fund to be known as the “Opioid Settlement
12 Treatment Support Fund.”

13 The State Treasurer will be required to deposit into the fund any
14 moneys that are allocated to or otherwise received by the State as a
15 result of a settlement agreement entered into, or litigation undertaken
16 against, opioid manufacturers and distributors. Any interest and
17 other income earned on moneys in the fund, and any other moneys
18 that may be appropriated or otherwise become available for purposes
19 of the fund, are to be credited to and deposited in the fund.

20 Moneys in the fund are to be dedicated and used only for the
21 purposes of financing, expanding, enhancing, and modernizing
22 substance use disorder prevention and treatment programs and
23 services in the State, particularly those programs and services that
24 focus on: 1) the prevention or treatment of opioid use disorders; or
25 2) the prevention or treatment of opioid and other substance use
26 disorders occurring in members of particularly vulnerable
27 populations or groups of individuals, including, but not limited to,
28 inmates, parolees, and probationers; persons who have both a
29 substance use disorder and a co-occurring mental illness; and persons
30 who are socially or physically isolated, whether as a result of the
31 COVID-19 pandemic or for any other reason.

32 The bill provides for the Legislature to annually appropriate
33 moneys in the fund to the Department of Human Services, which will
34 be required to allocate the appropriated funds to the Division of
35 Mental Health and Addiction Services and the Office of Licensing in
36 the department, and to community-based service providers through
37 the issuance of grants, as may be deemed by the Commissioner of
38 Human Services to be necessary and appropriate to effectuate the
39 purposes specified by the bill.

40 It is becoming clear that the State of New Jersey will receive a
41 significant amount of settlement dollars from litigation that has been
42 undertaken against opioid manufacturers and distributors for their
43 contributions to the State and nation’s opioid epidemic, and it is
44 important that these settlement dollars be dedicated to reducing or
45 mitigating the effects of opioid addiction in the State.

46 In the 1990s, four of the largest tobacco companies entered into a
47 settlement agreement with 46 states that had filed more than 800
48 claims against them. In many of those states, however, moneys

1 received from the settlement were not used to reduce or eliminate
2 tobacco usage, but were instead used for law enforcement purposes,
3 deficit reduction, or for bolstering the states' general funds. Tobacco
4 usage, meanwhile, continues to cause problems both for individuals
5 and for society as a whole.

6 Despite the success of recent lawsuits against opioid
7 manufacturers and distributors, the opioid epidemic continues to
8 ravage the State and nation's communities, and the societal harms
9 caused thereby continue to be great. Although the Department of
10 Human Services provides numerous programs and services to prevent
11 opioid overdoses and aid in the treatment of opioid dependency and
12 addiction in the State, and although numerous non-profit community-
13 based services are also available throughout the State to assist and
14 provide treatment and recovery services to persons with opioid use
15 disorders; sufficient funding is needed to support and expand these
16 programs and ensure that appropriate substance use disorder
17 treatment services are available throughout the State to all who need
18 them.

19 The COVID-19 pandemic, moreover, which was declared by the
20 World Health Organization in March 2020, has resulted in the
21 significant lock-down of society and the imposition of new social
22 distancing rules throughout the State and nation. This has made it
23 much harder to reach and provide effective treatment and recovery
24 services to persons who have opioid and other substance use
25 disorders, and it has additionally reduced the social support network
26 that is available to individuals who are currently in treatment for, or
27 are recovering from, opioid dependence or addiction. Because it is
28 not clear when the COVID-19 pandemic will subside, and it is
29 possible that the disease will be present in society on a long-term
30 basis, there is an urgent need, now more than ever, to sustain and
31 increase funding for the State agencies and community providers that
32 are continuing to provide substance use disorder treatment services
33 in these uncertain and changing times.