

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 996

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

Sponsors: Representative Sasser.

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

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

May 19, 2022

A BILL TO BE ENTITLED

AN ACT PROTECTING NATIONAL OPIOID SETTLEMENT PROCEEDS FOR NORTH CAROLINA AND ITS UNITS OF LOCAL GOVERNMENT BY PROHIBITING THE ASSERTION OF ANY RELEASED CLAIMS AGAINST ANY RELEASED ENTITIES PURSUANT TO THE FINAL CONSENT JUDGMENTS RESOLVING THIS LITIGATION.

The General Assembly of North Carolina enacts:

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

"Article 7.

"Legislative Release to Protect National Opioid Settlement Payments.

**"§ 122C-470.2. Definitions.**

Definitions. – The following definitions apply in this Article:

- (1) "Opioid Consent Judgments" means the final consent judgments, including all exhibits, resolving the following cases in the General Court of Justice, Superior Court Division, Wake County:
  - a. State of North Carolina, ex rel. Joshua H. Stein, Attorney General v. McKesson Corporation; Cardinal Health, Inc.; and AmerisourceBergen Corporation, No. 22CV4020.
  - b. State of North Carolina ex rel. Joshua H. Stein, Attorney General v. Johnson & Johnson; Janssen Pharmaceuticals, Inc.; Ortho-McNeil-Janssen Pharmaceuticals, Inc.; and Janssen Pharmaceutica, Inc., No. 22CV4244.
- (2) "Released Claim" means any claim defined as Released Claims in the Opioid Consent Judgments.
- (3) "Released Entity" means any entity defined as Released Entities in the Opioid Consent Judgments, including Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., Janssen Pharmaceutica, Inc., McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation.
- (4) "State" means the State of North Carolina and includes every public office, public officer or official (elected or appointed), institution, board, commission, bureau, council, department, or authority or other unit of government of the State.



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

16   **"§ 122C-470.4. Legislative findings.**

17   The General Assembly makes the following findings:

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

1 period of 18 years. North Carolina and its Units of Local Government can  
2 secure their entitlement to that full amount, but only if opioid litigation in  
3 North Carolina asserting Released Claims against Released Entities comes to  
4 an end with no new claims.

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

9 **"§ 122C-470.6. Legislative intent.**

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

15 **"§ 122C-470.8. Prohibition on assertion of Released Claims against Released Entities.**

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

18 **"§ 122C-470.10. Preservation of remedies.**

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

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

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