
City Council Regular Meeting

DEPARTMENT: Legal & Purchasing

FROM: Matt Ribitzki, Deputy City Attorney/Compliance Manager

MEETING: April 3, 2023

SUBJECT:

Consider approval of settlement participation forms to participate in the settlement of the State of Texas opioid litigation through the Texas Attorney General's Office with the retailers Allergan, CVS, Walgreens, and Walmart and authorizing the City Manager to execute all necessary documents in connection with the same. (*Staff Contact: Matt Ribitzki, Deputy City Attorney/Compliance Manager*)

SUMMARY:

The Office of the Texas Attorney General has announced a settlement with four entities in the multistate litigation initiated by several states to resolve legal claims regarding the opioid crisis. The settlement is with retailers Allergan, CVS, Walgreens, and Walmart. The settlement is in addition to the prior settlements with opioid manufacturers and distributors.

Overall, the settlement requires Allergan to pay \$135 million, CVS to pay \$304 million, Walgreens to pay \$340 million, and Walmart to pay \$170 million to Texas and its political subdivisions. The vast majority of the settlement amount is earmarked for use by Texas and its subdivisions to remediate and abate the impacts of the opioid crisis. The settlement also contains injunctive relief provisions governing the opioid marketing as well as the sale and dispensing practices at the heart of the opioid claims in the lawsuits.

The subdivisions within Texas, including the city of Burleson, are entitled to decide whether they wish to participate in the settlement. Any subdivision that does not participate cannot directly share in any of the settlement funds.

As with the other opioid settlements, the Texas Comptroller of Public Accounts and the Texas Opioid Council will disburse funds to participating Texas political subdivisions. Settlement funds received by the state and political subdivisions must be used to support any of a wide variety of specified strategies to fight the opioid crisis. Summarily, funds received can be used for opioid abatement strategies that treat, mitigate, prevent opioid use as well as recoup costs to respond to the opioid epidemic. Below is an **estimate** from the Attorney General's Office of the funds the City will receive from the settlement with Allergan, CVS, Walgreens, and Walmart:

City	Allocation %	Allergan	CVS	Walgreens	Walmart	Total
Burleson	0.101186000%	\$20,374.45	\$45,794.21	\$51,241.42	\$25,617.62	\$143,027.70

At this time, the Attorney General's Office does not know when the settlement funds will be paid by the Texas Comptroller and Texas Opioid Council.

The Attorney General's Office recommends that the City determine whether to participate in the settlement with Allergan, CVS, Walgreens, and Walmart well before the April 18, 2023, deadline.

OPTIONS:

- 1) Approve the settlement participation forms to participate in the settlement of the State of Texas opioid litigation through the Texas Attorney General's Office with the retailers Allergan, CVS, Walgreens, and Walmart
- 2) Deny the approval of the settlement participation forms to participate in the settlement of the State of Texas opioid litigation through the Texas Attorney General's Office with the retailers Allergan, CVS, Walgreens, and Walmart and authorizing the City Manager to execute all necessary documents in connection with the same.

RECOMMENDATION:

Approve the settlement participation forms to participate in the settlement of the State of Texas opioid litigation through the Texas Attorney General's Office with the retailers Allergan, CVS, Walgreens, and Walmart.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

None.

FISCAL IMPACT:

None.

STAFF CONTACT:

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