

STATE-SUBDIVISION AGREEMENT BETWEEN THE STATE OF MARYLAND AND PARTICIPATING LOCAL GOVERNMENTS ON PROCEEDS FROM SETTLEMENT OF OPIOIDS LITIGATION AGAINST TEVA, ALLERGAN, WALMART, AND WALGREENS

INTRODUCTION

WHEREAS, the State of Maryland (“State”) and its participating subdivisions previously reached a STATE-SUBDIVISION AGREEMENT BETWEEN THE STATE OF MARYLAND AND LOCAL GOVERNMENTS ON PROCEEDS RELATING TO THE SETTLEMENT OF OPIOIDS LITIGATION, effective January 21, 2022 (the “2022 State-Subdivision Agreement”) (Exhibit A), that applied by its terms to the Janssen and Distributors National Settlement Agreements;

WHEREAS, the General Assembly implemented the terms of the 2022 State-Subdivision Agreement by enacting legislation codified at Md. Code Ann., State Finance & Procurement, Section 7-311(g) (2022);

WHEREAS, the State and its participating subdivisions wish at this time to participate in the Teva Global Opioids Settlement Agreement (December 20, 2022) (“Teva Agreement”), the Allergan Public Global Opioid Settlement (December 20, 2022) (“Allergan Agreement”), the Walmart Settlement Agreement (November 14, 2022), and the Walgreens Settlement Agreement (December 9, 2022), subject to the terms of these agreements (referred to collectively, hereinafter, as the “2022 Agreements”); and

WHEREAS, the State and its participating subdivisions wish to incorporate the terms of the 2022 State-Subdivision Agreement as closely as possible in this STATE-SUBDIVISION AGREEMENT BETWEEN THE STATE OF MARYLAND AND PARTICIPATING LOCAL GOVERNMENTS ON PROCEEDS FROM SETTLEMENT OF OPIOIDS LITIGATION AGAINST TEVA, ALLERGAN, WALMART, AND WALGREENS (“2023 State-Subdivision Agreement”);

The State and its participating subdivisions agree as follows:

SECTION I (INCORPORATION)

- a. Except as otherwise specified in Section II below, the terms of the 2022 State-Subdivision Agreement are incorporated into this 2023 State-Subdivision Agreement as if fully set forth herein and shall apply to the State’s and its participating subdivisions’ receipt and holding of funds from the 2022 Agreements and their expenditure of funds received.

SECTION II (SPECIFIC CHANGES)

- a. The definition of “Executive Director,” section I (g) of the 2022 State-Subdivision Agreement, is not incorporated in this 2023 State-Subdivision Agreement. Instead, “Executive Director” for purposes of this 2023 State-Subdivision Agreement, shall refer to the Special Secretary for Opioids Response or her designee or such other person designated by the Governor or by law to direct the Opioid Operational Command Center or any successor agency having substantially similar responsibilities and duties.
- b. The definition of “National Settlement Agreements,” section I (n) of the 2022 State-Subdivision Agreement, is not incorporated in this 2023 State-Subdivision Agreement. Instead, “National Settlement Agreements” for purposes of this 2023 State-Subdivision Agreement, shall mean the

Teva Global Opioids Settlement Agreement (December 20, 2022) (“Teva Agreement”), the Allergan Public Global Opioid Settlement (December 20, 2022) (“Allergan Agreement”), the Walmart Settlement Agreement (November 14, 2022), and the Walgreens Settlement Agreement (December 9, 2022), and shall include any and all amendments or corrections to those agreements issued on or before February 15, 2022.

- c. Section II(a) of the 2022 State-Subdivision Agreement is incorporated in this 2023 State-Subdivision Agreement, except that this agreement shall be dated April 15, 2023 and shall be effective on that date for all purposes under the National Settlement Agreement. Subdivisions that return Subdivision Settlement Participation Forms under the National Settlement Agreement shall be deemed to consent to this Agreement.
- d. Section III(b) of the 2022 State-Subdivision Agreement is not incorporated in this 2023 State-Subdivision Agreement. Instead, the following is substituted in its place: Any Subdivision receiving settlement proceeds pursuant to Section IV(a)(3) of this Agreement may use up to 15 percent received from the Walmart Agreement, the Teva Agreement, and/or the Allergan Agreement to pay for past Opioid Remediation consistent with Permitted Uses, subject to the accounting requirements of the National Settlement Agreement and the provisions of Section VI(a) of the State-Subdivision Agreement, as incorporated herein. Any Subdivision receiving settlement proceeds pursuant to Section IV(a)(3) of this Agreement may use up to 5 percent received from the Walgreens Agreement to pay for past Opioid Remediation consistent with Permitted Uses, subject to the accounting requirements of the National Settlement Agreement and the provisions of Section VI(a) of the State-Subdivision Agreement, as incorporated herein.
- e. In the event of any other potential conflict between the terms of the National Settlement Agreements and the provisions of the 2022 State-Subdivision Agreement incorporated by Sections I and II of this 2023 State-Subdivisions Agreement, this 2023 State-Subdivision shall be construed to reflect, as nearly as permissible, the terms of the 2022 State-Subdivision Agreement.

SECTION III (ADDITIONAL PROVISIONS)

- a. The subsections of this Section III shall govern the 2023 State-Subdivision Agreement in addition to and notwithstanding any inconsistent provisions of the 2022 State-Subdivision Agreement.
- b. Subdivisions shall cooperate reasonably with the Attorney General, the Secretary, and the Executive Director regarding the statewide coordination of planning, activities, expenditures, and reporting under the 2022 State-Subdivision Agreement, this 2023 State-Subdivision Agreement, and the National Settlement Agreements, including by providing contact information for persons responsible for the management and expenditure of funds received under opioids settlements.