



Legislation Details (With Text)

**File #:** Res. 2021-261R      **Version:** 1      **Name:**

**Type:** Resolution      **Status:** Individual Consideration

**File created:** 12/2/2021      **In control:** City Council

**On agenda:** 12/15/2021      **Final action:**

**Title:** Consider approval of Resolution 2021-261R, authorizing the submission of a Subdivision Participation Form to the Office of the Attorney General of the State of Texas to secure the City’s participation in a class action lawsuit against multiple opioid distributors and manufacturers before the deadline of January 2, 2022; authorizing the City Manager or his designee to execute all documents necessary related to signing on to the class action lawsuit; and declaring an effective date.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Resolution, 2. Opioid Settlement One Pager, 3. Settlement Allocation Term Sheet, 4. Subdivision Settlement Participation Form, 5. Opioid settlement slides

Date	Ver.	Action By	Action	Result
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**AGENDA CAPTION:**

Consider approval of Resolution 2021-261R, authorizing the submission of a Subdivision Participation Form to the Office of the Attorney General of the State of Texas to secure the City’s participation in a class action lawsuit against multiple opioid distributors and manufacturers before the deadline of January 2, 2022; authorizing the City Manager or his designee to execute all documents necessary related to signing on to the class action lawsuit; and declaring an effective date.

**Meeting date:** December 15, 2021

**Department:** City Manager

**Amount & Source of Funding**

**Funds Required:** N/A

**Account Number:** N/A

**Funds Available:** N/A

**Account Name:** N/A

**Fiscal Note:**

**Prior Council Action:** N/A

**City Council Strategic Initiative:** [Please select from the dropdown menu below]

N/A

Choose an item.

Choose an item.

**Comprehensive Plan Element (s):** [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services
- Not Applicable

**Master Plan:** [Please select the corresponding Master Plan from the dropdown menu below (if applicable)]

Choose an item.

**Background Information:**

In September of 2017, Texas Attorney General Ken Paxton and a bipartisan coalition of 40 other states began an investigation into the activities of eight companies that either manufactured or distributed addictive opioid drugs to consumers in an effort to evaluate whether these companies engaged in unlawful practices in the marketing, sale and distribution of opioids.

On May 15, 2018, Texas filed a lawsuit against Purdue Pharma related to this investigation. On September 4, 2019 Texas filed a related lawsuit against Johnson and Johnson related to misrepresentations made to the Texas Medicaid program.

In February of 2020, A.G. Paxton announced a global settlement framework between state attorneys general, local subdivisions and the world's largest opioid manufacturer, Mallinckrodt (MKN.) On May 13, 2020, A.G. Paxton reached a bipartisan agreement with Texas counties and cities in preparation for settlement with the multiple opioid defendants.

In February and July of 2021, A.G. Paxton announced settlements with multiple opioid defendants. The City of San Marcos is now being asked to opt-in to this settlement agreement by signing the required participation forms and adopting the Texas Term Sheet no later than January 2, 2022. By opting into this settlement, the

City of San Marcos may be entitled to approximately \$300,000 in monetary relief that could be used to fund various drug treatment and diversion programs. The exact nature of the spending of these funds will be identified at a later date.

**Council Committee, Board/Commission Action:**

N/A

**Alternatives:**

The City may elect to not participate in this settlement agreement.

**Recommendation:**

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