A bill for an act relating to opioids; providing for the deposit and allocation of opioid settlement proceeds; establishing two accounts in the opiate epidemic response fund; eliminating a separate opioid account in the state treasury; modifying the time frame for eliminating the opioid manufacturer registration fee and reducing license fees; barring municipal claims against litigants in certain settled opioid cases; amending Minnesota Statutes 2020, section 256.043, subdivision 1, by adding a subdivision; Minnesota Statutes 2021 Supplement, sections 16A.151, subdivision 2; 151.066, subdivision 3; 256.042, subdivision 4; 256.043, subdivisions 3, 4; Laws 2019, chapter 63, article 3, section 1, as amended; Laws 2021, First Special Session chapter 7, article 16, section 12; proposing coding for new law in Minnesota Statutes, chapter 3.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **RELEASE OF OPIOID-RELATED CLAIMS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Municipality" has the meaning provided in section 466.01, subdivision 1.

(c) "Opioid litigation" means any civil litigation, demand, or settlement in lieu of litigation alleging unlawful conduct related to the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids.

(d) "Released claim" means any cause of action or other claim that has been released in a statewide opioid settlement agreement, including matters identified as a released claim as that term or a comparable term is defined in a statewide opioid settlement agreement.

(e) "Settling defendant" means Johnson & Johnson, AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson Corporation, as well as related subsidiaries, affiliates,
officers, directors, and other entities specifically named as a released entity in a statewide opioid settlement agreement.

(f) "Statewide opioid settlement agreement" means an agreement, including consent judgments, assurances of discontinuance, and related agreements or documents, between the attorney general, on behalf of the state, and a settling defendant, to provide or allocate remuneration for conduct related to the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids.

Subd. 2. Release of claims. (a) No municipality shall have the authority to assert, file, or enforce a released claim against a settling defendant.

(b) Any claim in pending opioid litigation filed by a municipality against a settling defendant that is within the scope of a released claim is extinguished by operation of law.

(c) The attorney general shall have authority to appear or intervene in opioid litigation where a municipality has asserted, filed, or enforced a released claim against a settling defendant and release with prejudice any released claims.

(d) This section does not limit any causes of action, claims, or remedies, nor the authority to assert, file, or enforce such causes of action, claims, or remedies, by a party other than a municipality.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2021 Supplement, section 16A.151, subdivision 2, is amended to read:

Subd. 2. Exceptions. (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated.

If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.
(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3), or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

(e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph (t), may be deposited as provided in section 16A.98, subdivision 12.

(f) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, must be deposited in a separate account in the state treasury and the commissioner shall notify the chairs and ranking minority members of the Finance Committee in the senate and the Ways and Means Committee in the house of representatives that an account has been created. Notwithstanding section 11A.20, all investment income and all investment losses attributable to the investment of this account shall be credited to the account the settlement account established in the opiate epidemic response fund under section 256.043, subdivision 1. This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney General's Office, to contract attorneys hired by the state or Attorney General's Office, or to other state agency attorneys. If the licensing fees under section 151.065, subdivision 1, clause (16), and subdivision 3, clause (14), are reduced and the registration fee under section 151.066, subdivision 3, is repealed in accordance with section 256.043, subdivision 4, then the commissioner shall transfer from the separate account created in this paragraph to the opiate epidemic response fund under section 256.043 an amount that ensures that $20,940,000 each fiscal year is available for distribution in accordance with section 256.043, subdivision 3.

(g) Notwithstanding paragraph (f), if money is received from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency against a consulting firm working for an opioid manufacturer or opioid wholesale drug distributor and deposited into the separate account created under paragraph (f), the commissioner shall annually transfer from the separate account to the opiate epidemic response fund under section 256.043 an amount equal to the estimated amount submitted to the commissioner by the Board of Pharmacy in accordance with section 151.066,
subdivision 3, paragraph (b). The amount transferred shall be included in the amount available for distribution in accordance with section 256.043, subdivision 3. This transfer shall occur each year until the registration fee under section 151.066, subdivision 3, is repealed in accordance with section 256.043, subdivision 4, or the money deposited in the account in accordance with this paragraph has been transferred, whichever occurs first. The amount deposited into the separate account established within the opiate epidemic response fund under section 256.042, subdivision 1. Notwithstanding section 256.043, subdivision 3a, paragraph (a), any amount deposited into the settlement account in accordance with this paragraph shall be appropriated to the commissioner of human services to award as grants as specified by the opiate epidemic response advisory council in accordance with section 256.043, subdivision 3a, paragraph (d).

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2021 Supplement, section 151.066, subdivision 3, is amended to read:

Subd. 3. Determination of an opiate product registration fee. (a) The board shall annually assess an opiate product registration fee on any manufacturer of an opiate that annually sells, delivers, or distributes an opiate within or into the state 2,000,000 or more units as reported to the board under subdivision 2.

(b) For purposes of assessing the annual registration fee under this section and determining the number of opiate units a manufacturer sold, delivered, or distributed within or into the state, the board shall not consider any opiate that is used for medication-assisted therapy for substance use disorders. If there is money deposited into the separate account as described in section 16A.151, subdivision 2, paragraph (g), The board shall submit to the commissioner of management and budget an estimate of the difference in the annual fee revenue collected under this section due to this exception.

(c) The annual registration fee for each manufacturer meeting the requirement under paragraph (a) is $250,000.

(d) In conjunction with the data reported under this section, and notwithstanding section 152.126, subdivision 6, the board may use the data reported under section 152.126, subdivision 4, to determine which manufacturers meet the requirement under paragraph (a) and are required to pay the registration fees under this subdivision.
(e) By April 1 of each year, beginning April 1, 2020, the board shall notify a manufacturer that the manufacturer meets the requirement in paragraph (a) and is required to pay the annual registration fee in accordance with section 151.252, subdivision 1, paragraph (b).

(f) A manufacturer may dispute the board's determination that the manufacturer must pay the registration fee no later than 30 days after the date of notification. However, the manufacturer must still remit the fee as required by section 151.252, subdivision 1, paragraph (b). The dispute must be filed with the board in the manner and using the forms specified by the board. A manufacturer must submit, with the required forms, data satisfactory to the board that demonstrates that the assessment of the registration fee was incorrect. The board must make a decision concerning a dispute no later than 60 days after receiving the required dispute forms. If the board determines that the manufacturer has satisfactorily demonstrated that the fee was incorrectly assessed, the board must refund the amount paid in error.

(g) For purposes of this subdivision, a unit means the individual dosage form of the particular drug product that is prescribed to the patient. One unit equals one tablet, capsule, patch, syringe, milliliter, or gram.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2021 Supplement, section 256.042, subdivision 4, is amended to read:

Subd. 4. **Grants.** (a) The commissioner of human services shall submit a report of the grants proposed by the advisory council to be awarded for the upcoming calendar year to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance, by December 1 of each year, beginning March 1, 2020.

(b) The grants shall be awarded to proposals selected by the advisory council that address the priorities in subdivision 1, paragraph (a), clauses (1) to (4), unless otherwise appropriated by the legislature. The advisory council shall determine grant awards and funding amounts based on the funds appropriated to the commissioner under section 256.043, subdivision 3, paragraph (e) (h), and subdivision 3a, paragraph (d). The commissioner shall award the grants from the opiate epidemic response fund and administer the grants in compliance with section 16B.97. No more than ten percent of the grant amount may be used by a grantee for administration.

**EFFECTIVE DATE.** This section is effective the day following final enactment.
Sec. 5. Minnesota Statutes 2020, section 256.043, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** (a) The opiate epidemic response fund is established in the state treasury. The registration fees assessed by the Board of Pharmacy under section 151.066 and the license fees identified in section 151.065, subdivision 7, paragraphs (b) and (c), shall be deposited into the fund. The commissioner of management and budget shall establish within the opiate epidemic response fund two accounts: (1) a registration and license fee account; and (2) a settlement account. Beginning in fiscal year 2021, for each fiscal year, the fund shall be administered according to this section.

(b) The commissioner of management and budget shall deposit into the registration and license fee account the registration fee assessed by the Board of Pharmacy under section 151.066 and the license fees identified in section 151.065, subdivision 7, paragraphs (b) and (c).

(c) The commissioner of management and budget shall deposit into the settlement account any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, pursuant to section 16A.151, subdivision 2, paragraph (f).

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2021 Supplement, section 256.043, subdivision 3, is amended to read:

Subd. 3. **Appropriations from fund registration and license fee account.** (a) The appropriations in paragraphs (b) to (h) shall be made from the registration and license fee account on a fiscal year basis in the order specified.

After (b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraph (c), are made, $249,000 is appropriated to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraph (c); paragraphs (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be made accordingly.

(c) $300,000 is appropriated to the commissioner of management and budget for evaluation activities under section 256.042, subdivision 1, paragraph (c).
(d) $249,000 is appropriated to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraph (h).

(b) (e) $126,000 is appropriated to the Board of Pharmacy for the collection of the registration fees under section 151.066.

(e) (f) $672,000 is appropriated to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, $384,000 is for drug scientists and lab supplies and $288,000 is for special agent positions focused on drug interdiction and drug trafficking.

(d) (g) After the appropriations in paragraphs (a) (b) to (e) (f) are made, 50 percent of the remaining amount is appropriated to the commissioner of human services for distribution to county social service and tribal social service agencies and Tribal social service agency initiative projects authorized under section 256.01, subdivision 14b, to provide child protection services to children and families who are affected by addiction. The commissioner shall distribute this money proportionally to county and tribal social service agencies and Tribal social service agency initiative projects based on out-of-home placement episodes where parental drug abuse is the primary reason for the out-of-home placement using data from the previous calendar year. County and tribal social service agencies and Tribal social service agency initiative projects receiving funds from the opiate epidemic response fund must annually report to the commissioner on how the funds were used to provide child protection services, including measurable outcomes, as determined by the commissioner. County social service agencies and Tribal social service agencies initiative projects must not use funds received under this paragraph to supplant current state or local funding received for child protection services for children and families who are affected by addiction.

(e) (h) After making the appropriations in paragraphs (a) (b) to (d) (g) are made, the remaining amount in the fund account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042, unless otherwise appropriated by the legislature.

(f) (i) Beginning in fiscal year 2022 and each year thereafter, funds for county social service and tribal social service agencies and Tribal social service agency initiative projects under paragraph (d) (g) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph (e) shall (h) may be distributed on a calendar year basis.

**EFFECTIVE DATE.** This section is effective the day following final enactment.
Sec. 7. Minnesota Statutes 2020, section 256.043, is amended by adding a subdivision to read:

Subd. 3a. **Appropriations from settlement account.** (a) The appropriations in paragraphs (b) to (d) shall be made from the settlement account on a fiscal year basis in the order specified.

(b) If the balance in the registration and license fee account is not sufficient to fully fund the appropriations specified in subdivision 3, paragraphs (b) to (f), money from the settlement account shall be used to fully fund the required appropriations.

(c) After any appropriations necessary under paragraph (b) are made, an amount equal to the calendar year appropriation to Tribal social service agency initiative projects under subdivision 3, paragraph (g), is appropriated from the settlement account to the commissioner of human services for distribution to Tribal social service agency initiative projects to provide child protection services to children and families who are affected by addiction. The requirements related to proportional distribution, annual reporting, and maintenance of effort specified in subdivision 3, paragraph (g), also apply to the appropriations made under this paragraph.

(d) After making the appropriations in paragraphs (b) and (c), the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042.

(e) Funds for Tribal social service agency initiative projects under paragraph (c) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph (d) may be distributed on a calendar year basis.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 8. Minnesota Statutes 2021 Supplement, section 256.043, subdivision 4, is amended to read:

Subd. 4. **Settlement; sunset.** (a) If the state receives a total sum of $250,000,000 either as a result of a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or resulting from a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state, or other alleged illegal actions that contributed to the excessive use of opioids, or from the fees collected under sections 151.065, subdivisions 1 and 3, and 151.066, that are
deposited into the opiate epidemic response fund established in this section, or from a
combination of both, the fees specified in section 151.065, subdivisions 1, clause (16), and
3, clause (14), shall be reduced to $5,260, and the opiate registration fee in section 151.066,
subdivision 3, shall be repealed. For purposes of this paragraph, any money received as a
result of a settlement agreement specified in this paragraph and directly allocated or
distributed and received by either the state or a municipality as defined in section 466.01,
subdivision 1, shall be counted toward determining when the $250,000,000 is reached.

(b) The commissioner of management and budget shall inform the Board of Pharmacy,
the governor, and the legislature when the amount specified in paragraph (a) has been
reached. The board shall apply the reduced license fee for the next licensure period.

(c) Notwithstanding paragraph (a), the reduction of the license fee in section 151.065,
subdivisions 1 and 3, and the repeal of the registration fee in section 151.066 shall not occur
before July 1, 2024.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 9. Sec. 9. Laws 2019, chapter 63, article 3, section 1, as amended by Laws 2020, chapter
115, article 3, section 35, is amended to read:

Section 1. APPROPRIATIONS.

(a) Board of Pharmacy; administration. $244,000 in fiscal year 2020 is appropriated
from the general fund to the Board of Pharmacy for onetime information technology and
operating costs for administration of licensing activities under Minnesota Statutes, section
151.066. This is a onetime appropriation.

(b) Commissioner of human services; administration. $309,000 in fiscal year 2020
is appropriated from the general fund and $60,000 in fiscal year 2021 is appropriated from
the opiate epidemic response fund to the commissioner of human services for the provision
of administrative services to the Opiate Epidemic Response Advisory Council and for the
administration of the grants awarded under paragraphs (f), (g), and (h). The opiate epidemic
response fund base for this appropriation is $60,000 in fiscal year 2022, $60,000 in fiscal
year 2023, $60,000 in fiscal year 2024, and $0 in fiscal year 2025.

(c) Board of Pharmacy; administration. $126,000 in fiscal year 2020 is appropriated
from the general fund to the Board of Pharmacy for the collection of the registration fees
under section 151.066.
(d) **Commissioner of public safety; enforcement activities.** $672,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, $384,000 is for drug scientists and lab supplies and $288,000 is for special agent positions focused on drug interdiction and drug trafficking.

(e) **Commissioner of management and budget; evaluation activities.** $300,000 in fiscal year 2020 is appropriated from the general fund and $300,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of management and budget for evaluation activities under Minnesota Statutes, section 256.042, subdivision 1, paragraph (c). The opiate epidemic response fund base for this appropriation is $300,000 in fiscal year 2022, $300,000 in fiscal year 2023, $300,000 in fiscal year 2024, and $0 in fiscal year 2025.

(f) **Commissioner of human services; grants for Project ECHO.** $400,000 in fiscal year 2020 is appropriated from the general fund and $400,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services for grants of $200,000 to CHI St. Gabriel's Health Family Medical Center for the opioid-focused Project ECHO program and $200,000 to Hennepin Health Care for the opioid-focused Project ECHO program. The opiate epidemic response fund base for this appropriation is $400,000 in fiscal year 2022, $400,000 in fiscal year 2023, $400,000 in fiscal year 2024, and $0 in fiscal year 2025.

(g) **Commissioner of human services; opioid overdose prevention grant.** $100,000 in fiscal year 2020 is appropriated from the general fund and $100,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services for a grant to a nonprofit organization that has provided overdose prevention programs to the public in at least 60 counties within the state, for at least three years, has received federal funding before January 1, 2019, and is dedicated to addressing the opioid epidemic. The grant must be used for opioid overdose prevention, community asset mapping, education, and overdose antagonist distribution. The opiate epidemic response fund base for this appropriation is $100,000 in fiscal year 2022, $100,000 in fiscal year 2023, $100,000 in fiscal year 2024, and $0 in fiscal year 2025.

(h) **Commissioner of human services; traditional healing.** $2,000,000 in fiscal year 2020 is appropriated from the general fund and $2,000,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services to award grants to Tribal nations and five urban Indian communities for traditional healing practices to American Indians and to increase the capacity of culturally specific providers in the
behavioral health workforce. The opiate epidemic response fund base for this appropriation is $2,000,000 in fiscal year 2022, $2,000,000 in fiscal year 2023, $2,000,000 in fiscal year 2024, and $0 in fiscal year 2025.

(i) **Board of Dentistry; continuing education.** $11,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Dentistry to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(j) **Board of Medical Practice; continuing education.** $17,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Medical Practice to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(k) **Board of Nursing; continuing education.** $17,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Nursing to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(l) **Board of Optometry; continuing education.** $5,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Optometry to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(m) **Board of Podiatric Medicine; continuing education.** $5,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Podiatric Medicine to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(n) **Commissioner of health; nonnarcotic pain management and wellness.** $1,250,000 is appropriated in fiscal year 2020 from the general fund to the commissioner of health, to provide funding for:

- (1) statewide mapping and assessment of community-based nonnarcotic pain management and wellness resources; and

- (2) up to five demonstration projects in different geographic areas of the state to provide community-based nonnarcotic pain management and wellness resources to patients and consumers.

The demonstration projects must include an evaluation component and scalability analysis.

The commissioner shall award the grant for the statewide mapping and assessment, and the
demonstration project grants, through a competitive request for proposal process. Grants
for statewide mapping and assessment and demonstration projects may be awarded
simultaneously. In awarding demonstration project grants, the commissioner shall give
preference to proposals that incorporate innovative community partnerships, are informed
and led by people in the community where the project is taking place, and are culturally
relevant and delivered by culturally competent providers. This is a onetime appropriation.

(o) Commissioner of health; administration. $38,000 in fiscal year 2020 is appropriated
from the general fund to the commissioner of health for the administration of the grants
awarded in paragraph (n).

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 10. Laws 2021, First Special Session chapter 7, article 16, section 12, is amended to
read:

Sec. 12. COMMISSIONER OF
MANAGEMENT AND BUDGET  $ 300,000 $ 300,000

(a) This appropriation is from the opiate
epidemic response fund.

(b) Evaluation. $300,000 in fiscal year 2022
and $300,000 in fiscal year 2023 is for
evaluation activities under Minnesota Statutes,
section 256.042, subdivision 1, paragraph (c).

(c) Base Level Adjustment. The opiate
epidemic response fund base is $300,000 in
fiscal year 2024 and $300,000 in fiscal year
2025.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 11. TRANSFER; ELIMINATION OF ACCOUNT.

(a) The commissioner of management and budget shall transfer any money in the separate
account established in the state treasury under Minnesota Statutes, section 16A.151,
subdivision 2, paragraph (f), to the settlement account in the opiate epidemic response fund
established under Minnesota Statutes, section 256.043, subdivision 1. Notwithstanding
section 256.043, subdivision 3a, paragraph (a), money transferred into the account under
this paragraph shall be appropriated to the commissioner of human services to award as

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grants as specified by the Opiate Epidemic Response Advisory Council in accordance with
Minnesota Statutes, section 256.043, subdivision 3a, paragraph (d).

(b) Once the money is transferred as required in paragraph (a), the commissioner of
management and budget shall eliminate the separate account established under Minnesota
Statutes, section 16A.151, subdivision 2, paragraph (f).

EFFECTIVE DATE. This section is effective the day following final enactment.