

BILL ANALYSIS

Senate Research Center
87R2427 SCL-F

S.B. 1794
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Finance
4/9/2021
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1794 amends Chapter 403, Government Code, by adding Subchapter R (Statewide Opioid Settlement Agreement). This bill relates to the multiple opioid investigations and litigation currently handled by the state of Texas Office of the Attorney General (OAG) Consumer Protection Division, as well as other divisions of OAG. Many of these matters are currently in settlement negotiations.

S.B. 1794 creates a Texas Opioid Abatement Fund Council to manage distribution of funds under statewide, global opioid settlements. This bill would bar current and future claims against opioid manufacturers, distributors, and other market participants that enter into statewide global settlements, effectively preventing any local governmental bodies from filing lawsuits, as there is already an avenue available to them for recompense and to maximize the recoveries from the proposed settlements.

S.B. 1794 also requires the attorney general and the Comptroller of Public Accounts of the State of Texas (comptroller) to maintain copies of any statewide opioid settlement agreement, including any amendments to the agreement, and make copies available on their Internet websites. It is imperative that there is transparency when handling opioid issues.

S.B. 1794 establishes that the Texas Opioid Abatement Fund Council will be administratively attached to the comptroller's office. The comptroller shall provide the staff necessary to assist the council in performing duties. Then in turn would require funds obtained under a statewide opioid settlement agreement to be distributed in accordance with the "term sheet" for designated abatement purposes developed by medical experts.

This bill would also have a similar impact for local governments engaged in the same matters. Furthermore, a failure to pass this bill would decrease the overall settlement amounts Texas is likely to receive as amounts will be reduced by any governmental entities that still have viable legal claims against the companies. There will be significant positive fiscal impact to the OAG if the bill is implemented. OAG also anticipates that any legal work resulting from the passage of this bill will be reasonably absorbed with current resources.

As proposed, S.B. 1794 amends current law relating to a statewide opioid settlement agreement.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 403, Government Code, by adding Subchapter R, as follows:

SUBCHAPTER R. STATEWIDE OPIOID SETTLEMENT AGREEMENT

Sec. 403.501. DEFINITIONS. Defines "council," "governmental entity," "released claim," "released entity," "statewide opioid settlement agreement," and "term sheet."

Sec. 403.502. SETTLEMENT RECORDS. Requires the attorney general and the Comptroller of Public Accounts of the State of Texas (comptroller) to maintain a copy of a statewide opioid settlement agreement (agreement), including any amendments to the agreement, and make the copy available on the attorney general's and comptroller's Internet websites.

Sec. 403.503. TEXAS OPIOID ABATEMENT FUND COUNCIL. Provides that the Texas Opioid Council (council) is administratively attached to the comptroller's office. Requires the comptroller to provide the staff and facilities necessary to assist the council in performing its duties.

Sec. 403.504. DISTRIBUTION OF FUNDS. Requires that funds obtained under an agreement be distributed in accordance with the Texas Opioid Abatement Fund and Settlement Allocation Term Sheet.

Sec. 403.505. EFFECT OF SETTLEMENT ON RELEASE CLAIM. (a) Prohibits a governmental entity from bringing a claim released under an agreement against a released entity.

(b) Requires a court to dismiss with prejudice a pending action asserting a released claim against a released entity brought by a governmental entity.

SECTION 2. Effective date: September 1, 2021.