

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 24, 2021

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1827 by Huffman (Relating to the creation of the opioid abatement account, an opioid abatement trust fund, and a statewide opioid settlement agreement.), **As Passed 2nd House**

Any fiscal impacts of the bill would be dependent on the amounts collected by the state from an action against an opioid manufacturer, an opioid distributor, or another person in the opioid industry relating to a violation of state or federal law on the manufacture, marketing, distribution, or sale of opioids. Therefore, the fiscal impact of the bill cannot be determined at this time.

Although this bill would not make an appropriation, it would establish the basis for an appropriation.

The Comptroller of Public Accounts would be required to implement the bill only if appropriated funds for that purpose.

The bill would amend Chapter 403 of the Government Code by adding Subchapter R related to a Statewide Opioid Settlement Agreement.

The bill would create the Opioid Abatement Fund Council (council) to allocate money recovered by the state through an opioid settlement agreement and develop an opioid abatement strategy. The council would be administratively attached to the Comptroller's office and the Comptroller would provide staff and facilities necessary to assist the council in performing its duties.

The bill would create the Opioid Abatement Account (account) as a dedicated account in the General Revenue Fund, administered by the Comptroller and the Opioid Abatement Trust Fund (fund) as trust fund outside of the state treasury that is administered by the Texas Treasury Safekeeping Trust Company (TTSTC). The bill would require that of the money obtained under a statewide opioid settlement agreement, 15 percent would be deposited into the account and 85 percent would be deposited into the fund. Funds obtained in a future settlement and available for deposit cannot be estimated at this time.

The account would consist of money obtained from a statewide opioid settlement agreement, money received from the state from any other source resulting from an action by the state against an opioid manufacturer, an opioid distributor, or another person in the opioid industry relating to a violation of state or federal law. Other deposits to the account include legislative appropriations, gifts and grants. The bill would establish allowable uses for the account.

The fund would consist of money obtained under a statewide opioid settlement agreement. TTSTC would allocate an amount equal to 15 percent of total amount of money deposited to the fund and account under a statewide opioid settlement agreement to political subdivisions to address opioid-related harms in those communities and an amount equal to 70 percent to the council and the Texas Access to Justice Foundation. \$5 million would be allocated to the Texas Access to Justice Foundation for the purpose of providing basic civil legal services to indigent persons directly impacted by opioid-use disorders and the remainder of the 70 percent would be allocated to the council. The council would be required to allocate:

- one percent to the Comptroller for the administration of the council;
- 15 percent to hospital districts; and

- The remaining money based on the opioid abatement strategy developed by the council.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either in, with, or outside of the Treasury or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The Comptroller of Public Accounts would be required to implement the bill only if appropriated funds for that purpose.

The bill would take effect immediately if it received a vote of two thirds in each house of the Legislature, otherwise the bill would take effect September 1, 2021.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 304 Comptroller of Public Accounts, 529 Hlth & Human Svcs Comm, 530 Family & Protective Services, 537 State Health Services

LBB Staff: JMc, LBO, BRI, KK, SD