

TITLE 3: HUMAN RESOURCES
DIVISION 2: HEALTH

§ 21301. Opioid Settlement Fund.

- (a) Fund established. The Opioid Litigation Proceeds Fund is hereby established in the Commonwealth treasury. The Fund shall operate as a dedicated fund to be administered by the Department of Finance. Monies in the Fund shall not revert to the General Fund of the Commonwealth treasury.
- (b) Credits to Fund. There shall be credited to the Fund:
 - (1) Proceeds received by the Commonwealth in connection with legal claims made against manufacturers and distributors of prescription opioid analgesics, pharmacies that dispensed prescription opioid analgesics, and related parties, regardless of whether such proceeds are received as a lump sum or series of payments to be made over a period of time;
 - (2) Monies appropriated by or transferred to the Fund by the Legislature;
 - (3) Gifts, donations, grants, bequests, and other monies received by the Commonwealth on the Fund's behalf; and
 - (4) Any interest in monies in the Fund.
- (c) Permissible expenditures. Monies in the Fund shall be spent only for substance use disorder abatement purposes, upon the approval of the Opioid Proceeds Council (Council), and through the following entities:
 - (1) The Hinemlu O'hala Eteramenti (H.O.P.E.) Recovery Center under the Office of the Governor's Substance Abuse, Addiction, and Rehabilitation Program;
 - (2) The Substance Abuse Treatment and Recovery Clinic under the Community Guidance Center (CGC);
 - (3) The Drug Court Division of the CNMI Judiciary;
 - (4) Any non-profit that engages in substance abuse prevention; and
 - (5) The Council, provided that administration expenses shall not exceed five (5) percent of the Fund's balance on an annual basis.
- (d) Prospective use. Unless otherwise required by controlling court order to refund the federal government a portion of the Proceeds, monies in the Fund shall be used for prospective purposes and shall not be used to reimburse expenditures incurred prior to the effective date of this Act;
- (e) Disbursement. Fund disbursements shall be made by the Secretary of Finance upon the approval of the Council. The Secretary of Finance shall not make or refuse to make any disbursement allowable under this subsection without the approval of the Council. The Secretary of Finance shall adhere to the Council's decisions regarding disbursement of monies from the Fund so long as a disbursement is a permissible expenditure.

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- (f) Expenditures Supplementary. Monies expended from the Fund for the purposes set forth in this Act shall be supplemental to, and shall not supplant or take the place of, any other funds, including insurance benefits or local, state, or federal funding, that would otherwise have been expended for such purposes.
- (g) Investment. As directed by the Attorney General, the Secretary of Finance shall have the responsibility for the investment and reinvestment of monies in the Fund. On or before January 31 of each year, the Secretary of Finance shall issue a public report, free of charge and available online.

Source: PL 23-19, § 2 (April 19, 2024), modified.

Commission Comment: PL 23-19, which took effect on April 19, 2024, included a findings and purposes, as follows:

Section 1. Findings and Purposes.

The Commonwealth of the Northern Mariana Islands (CNMI) anticipates receiving substantial payments from settlement of litigation against the manufacturers and distributors of prescription opioid analgesics, pharmacies dispensing prescription opioid analgesics and related parties for alleged contributions to high rates of drug overdoses and other drug-related harms.

Using this money to address substance use disorders, overdoses, and drug-related harms will require dedication, resources, and many years. Directing opioid litigation proceeds to establish, sustain, and expand substance use abatement services for prevention, treatment, recovery, and harm reduction in the Northern Mariana Islands will represent a critically important down payment on work to be done.

This bill establishes a dedicated fund for substance abuse disorder abatement. This bill also establishes a Council to handle the award of monies to agencies that engage in substance abuse disorder abatement.

PL-19 also included a severability and savings clause.

In codifying PL 23-19, the Commission re-numbered this section under Article 12, pursuant to 1 CMC § 3806(a).

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§ 21302. Opioid Proceeds Council.

- (a) Council established. There is established an Opioid Proceeds Council.
- (b) Purpose. The purpose of the Proceeds Council is to ensure that proceeds received by the Commonwealth pursuant to this Act are allocated and spent on the Commonwealth's substance use disorder abatement, infrastructure, programs, services, supports, and resources for prevention, treatment, recovery, and harm reduction; and to ensure accountability and transparency in allocating monies for the Fund.
- (c) Council Membership.
 - (1) The Council shall be composed of three (3) voting members. The Council may approve nonvoting members as needed.
 - (2) The Council voting members shall exist as follows:
 - (A) Chief Executive Officer of the Commonwealth Healthcare Corporation or designee;
 - (B) Attorney General or designee;
 - (C) Governor or designee.
- (d) Council duties and powers.
 - (1) The Council shall have the following duties and powers:
 - (A) Recommend and approve policies and procedures for the administration of the Council and for the application, awarding, and disbursement of monies from the Fund, to be used for the purposes set forth in this Act;
 - (B) Recommend and approve goals, objectives, and their rationales, sustainability plans, and performance indicators relating to substance use disorder prevention, treatment, recovery, and harm reduction efforts;
 - (C) Approve awards of monies from the Fund exclusively for permissible expenditures set forth in this Act; and
 - (D) Approve suspension of allocation of monies from the Fund to recipients found by the Council to be substantially noncompliant with the Council policies and procedures, rules, or regulations of the Northern Mariana Islands; or to have used such awards for a purpose other than an approved purpose. The Council may resume approval of such allocations once the Council has determined the recipient has adequately remedied the cause of such suspension.
 - (2) Employ an executive director and staff to support the meetings and functions of the Council and direct the day-to-day activities.
- (e) Council Members.
 - (1) The Council shall hold at least quarterly public meetings each year. A meeting may be called by their chair or by a majority of the Council's members. Members may attend meetings in person, remotely by audiovisual means, or upon approval by the chair, by audio-only means.

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- (2) Meetings shall be publicized and held in a manner reasonably designed to facilitate in-person and live-stream attendance by residents throughout the Commonwealth. The Council shall function in a manner consistent with the Open Government Act, as amended and codified at 1 CMC §§ 9901-9917 and with the federal Americans with Disabilities Act, as amended.
- (f) Voting. For each meeting of the Council, a majority of members shall constitute a quorum for the transaction of business. If there is a quorum, then all actions of the Council shall be taken by an affirmative vote of a majority of the members present at the meeting.
- (g) Compensation. Members may be reimbursed for actual and necessary expenses for travel to attend a Council meeting, which shall take place within the CNMI.
- (h) Conflicts of Interest. In compliance with the Government Ethics Code at 1 CMC §§ 8501-8577, the members must disclose to the Council, refrain from participating in discussions and recuse themselves from voting on any matter before the Council if members have a conflict of interest.
- (i) Termination. The Council will terminate when all monies received pursuant to the Fund have been received and disbursed unless the Attorney General certifies that additional monies are anticipated.

Source: PL 23-19, § 2 (April 19, 2024), modified.

Commission Comment: In codifying PL 23-19, the Commission re-numbered this section under Article 12, pursuant to 1 CMC § 3806(a).

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§ 21303. Court Order and Regulations.

The Council shall disburse monies from the Fund in a manner consistent with the limitations on uses of litigation proceeds set forth in any controlling court order. The Attorney General shall promulgate regulations consistent with the controlling court order and this Act.

Source: PL 23-19, § 2 (April 19, 2024), modified.

Commission Comment: In codifying PL 23-19, the Commission re-numbered this section under Article 12, pursuant to 1 CMC § 3806(a).

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§ 21304. Reporting.

Not later than October 31 of each year, beginning one year after the initial deposit of proceeds into the Fund, the Council shall provide a written report to the Governor, Speaker of the House of Representatives, Senate President, and Attorney General, detailing the Council's activities during the prior calendar year. The report shall be published on the website established by the Council.

Source: PL 23-19, § 2 (April 19, 2024), modified.

Commission Comment: In codifying PL 23-19, the Commission re-numbered this section under Article 12, pursuant to 1 CMC § 3806(a).