



General Assembly

January Session, 2023

Raised Bill No. 6914

LCO No. 6032



Referred to Committee on PUBLIC HEALTH

Introduced by:
(PH)

AN ACT CONCERNING THE USE OF FUNDS IN THE OPIOID AND TOBACCO SETTLEMENT FUNDS AND FUNDS RECEIVED BY THE STATE AS PART OF ANY SETTLEMENT AGREEMENT WITH A MANUFACTURER OF ELECTRONIC NICOTINE DELIVERY SYSTEM AND VAPOR PRODUCTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 4-28e of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*
3 *2023*):

4 (c) Commencing with the fiscal year ending June 30, [2023] 2024,
5 annual disbursements from the Tobacco Settlement Fund shall be made
6 as follows: (1) To the Tobacco and Health Trust Fund in an amount equal
7 to twelve million dollars; [and] (2) to the Commissioner of Mental
8 Health and Addiction Services for distribution to the regional
9 behavioral health action organizations, as described in section 17a-484f,
10 in the amount received in the preceding fiscal year pursuant to the
11 stipulated judgment in State of Connecticut v. JUUL Labs, Inc. for the
12 funding of programs to support the abatement, mitigation, cessation,
13 reduction or prevention of the use of nicotine or nicotine-synthetic

14 products by residents under twenty-one years of age in accordance with
15 such judgment; and (3) the remainder to the General Fund.

16 Sec. 2. Section 17a-674c of the general statutes is repealed and the
17 following is substituted in lieu thereof (*Effective July 1, 2023*):

18 (a) There is established an Opioid Settlement Fund which shall be a
19 separate nonlapsing fund administered by the committee.

20 (b) Any moneys intended to address opioid use, related disorders or
21 the impact of the opioid epidemic that are received by the state from any
22 judgment, consent decree or settlement paid by any defendant, which is
23 finalized on or after July 1, 2021, related to the production, distribution,
24 dispensing and other activities related to opioids shall be deposited into
25 the fund. Moneys remaining in the fund at the end of a fiscal year shall
26 not revert to the General Fund.

27 (c) Notwithstanding any provision of subsection (b) of this section, if
28 the commissioner and the Attorney General certify that the purposes of
29 such judgment, consent decree or settlement are inconsistent with the
30 intent of the provisions of this section and sections 17a-674d to 17a-674f,
31 inclusive, as amended by this act, the commissioner and Attorney
32 General (1) shall report in writing to the committee such certification,
33 including any identification by the commissioner and Attorney General
34 of an alternate fund or account and explanation of the reasons for
35 depositing such moneys in such alternate fund or account, and (2) may
36 deposit such moneys into such alternate fund or account. The
37 commissioner and Attorney General shall jointly report, in accordance
38 with the provisions of section 11-4a, to the joint standing committee of
39 the General Assembly having cognizance of matters relating to public
40 health regarding the intended use of such moneys in such alternate fund
41 or account prior to allocating such moneys for other purposes.

42 (d) Beginning on December 31, 2022, and annually thereafter, the
43 State Treasurer shall report the following to the committee:

44 (1) An inventory of fund investments as of the most recent fiscal year;

45 and

46 (2) The net income earned by the fund in the most recent fiscal year.

47 (e) Any municipality that receives moneys directly from a settlement
48 administrator pursuant to a judgment, consent decree or settlement
49 related to opioid litigation shall submit an annual report to the
50 committee detailing its expenditures for the preceding fiscal year on a
51 form prescribed by the committee. Each such municipality shall submit
52 such report to the committee on or before October 1, 2023, and annually
53 thereafter, until the total amount of such moneys received by the
54 municipality has been expended.

55 [(e)] (f) Moneys in the fund shall be spent only for the following
56 substance use disorder abatement purposes, in accordance with the
57 controlling judgment, consent decree or settlement, as confirmed by the
58 Attorney General's review of such judgment, consent decree or
59 settlement and upon the approval of the committee and the Secretary of
60 the Office of Policy and Management:

61 (1) State-wide, regional or community substance use disorder needs
62 assessments to identify structural gaps and needs to inform
63 expenditures from the fund;

64 (2) Infrastructure required for evidence-based substance use disorder
65 prevention, treatment, recovery or harm reduction programs, services
66 and supports;

67 (3) Programs, services, supports and resources for evidence-based
68 substance use disorder prevention, treatment, recovery or harm
69 reduction;

70 (4) Evidence-informed substance use disorder prevention, treatment,
71 recovery or harm reduction pilot programs or demonstration studies
72 that are not evidence-based, but are approved by the committee as an
73 appropriate use of moneys for a limited period of time as specified by
74 the committee, provided the committee shall assess whether the

75 evidence supports funding such programs or studies or whether it
76 provides a basis for funding such programs or studies with an
77 expectation of creating an evidence base for such programs and studies;

78 (5) Evaluation of effectiveness and outcomes reporting for substance
79 use disorder abatement infrastructure, programs, services, supports and
80 resources for which moneys from the fund have been disbursed,
81 including, but not limited to, impact on access to harm reduction
82 services or treatment for substance use disorders or reduction in drug-
83 related mortality;

84 (6) One or more publicly available data interfaces managed by the
85 commissioner to aggregate, track and report data on (A) substance use
86 disorders, overdoses and drug-related harms, (B) spending
87 recommendations, plans and reports, and (C) outcomes of programs,
88 services, supports and resources for which moneys from the fund were
89 disbursed;

90 (7) Research on opioid abatement, including, but not limited to,
91 development of evidence-based treatment, barriers to treatment,
92 nonopioid treatment of chronic pain and harm reduction, supply-side
93 enforcement;

94 (8) Documented expenses incurred in administering and staffing the
95 fund and the committee, and expenses, including, but not limited to,
96 legal fees, incurred by the state or any municipality in securing
97 settlement proceeds, deposited in the fund as permitted by the
98 controlling judgment, consent decree or settlement;

99 (9) Documented expenses associated with managing, investing and
100 disbursing moneys in the fund; and

101 (10) Documented expenses, including legal fees, incurred by the state
102 or any municipality in securing settlement proceeds deposited in the
103 fund to the extent such expenses are not otherwise reimbursed pursuant
104 to a fee agreement provided for by the controlling judgment, consent
105 decree or settlement.

106 [(f)] (g) (1) For purposes of this section, the fund balance shall be
107 determined by the State Treasurer as of July first, annually.

108 (2) Except as permitted by subdivision (8) of subsection [(e)] (f) of this
109 section, or unless otherwise required by court order to refund to the
110 federal government a portion of the proceeds, moneys in the fund shall
111 be used for prospective purposes and shall not be used to reimburse
112 expenditures incurred prior to July 1, 2022.

113 (3) Proceeds derived from any state settlement of claims against a
114 defendant shall be allocated and disbursed only to those municipalities
115 that execute an agreement to participate in such settlement and adhere
116 to the terms of such agreement, provided the allocation or disbursement
117 of such settlement proceeds for the benefit of persons within
118 municipalities that do not execute an agreement to participate in such
119 settlement or do not adhere to the terms of such agreement shall not be
120 precluded or limited.

121 (4) Governmental and nonprofit nongovernmental entities shall be
122 eligible to receive moneys from the fund for programs, services,
123 supports and resources for prevention, treatment, recovery and harm
124 reduction.

125 (5) Subject to the provisions of subdivision (6) of this subsection, fund
126 disbursements shall be made by the commissioner upon approval of the
127 committee. The commissioner shall not make or refuse to make any
128 disbursement allowable under this subsection without the approval of
129 the committee. The commissioner shall adhere to the committee's
130 decisions regarding disbursement of moneys from the fund, provided
131 such disbursement is a permissible expenditure under this section. The
132 commissioner's role in the distribution of moneys after the distribution
133 has been approved by the committee and after the review and approval
134 required under subsection [(e)] (f) of this section shall be ministerial and
135 shall not be discretionary.

136 (6) Moneys expended from the fund for the purposes set forth in
137 subsection (d) of this section shall be supplemental to, and shall not

138 supplant or take the place of, any other funds, including, but not limited
139 to, insurance benefits or local, state or federal funding, that would
140 otherwise have been expended for such purposes. The commissioner
141 shall not disburse moneys from the fund during any fiscal year unless
142 the Secretary of the Office of Policy and Management transmits to the
143 committee a letter verifying that funds appropriated and allocated in
144 such fiscal year's budget for substance use disorder abatement
145 infrastructure, programs, services, supports and resources for
146 prevention, treatment, recovery and harm reduction are in an amount
147 not less than the sum of the funds for such purposes appropriated and
148 allocated in the previous fiscal year's budget. As used in this
149 subdivision, "supplemental" means additional funding, consistent with
150 the provisions of this section, for substance use disorder abatement
151 infrastructure or a substance use disorder abatement program, service,
152 support or resource to ensure that funding in the current fiscal year
153 exceeds the sum of federal, state, and local funds allocated in the
154 previous fiscal year for such substance use disorder abatement
155 infrastructure, program, service, support or resource.

156 Sec. 3. Subsection (j) of section 17a-674d of the general statutes is
157 repealed and the following is substituted in lieu thereof (*Effective July 1,*
158 *2023*):

159 (j) The department shall create and maintain an Internet web site
160 where the committee shall publish (1) meeting minutes, including, but
161 not limited to, records of all votes to approve expenditures of moneys
162 from the fund, (2) recipient agreements and reports required under
163 subsection (h) of this section, (3) policies and procedures approved by
164 the committee, [and] (4) reports received from municipalities pursuant
165 to subsection (e) of section 17a-674c, as amended by this act, and (5) the
166 committee's annual reports.

167 Sec. 4. Section 4-28f of the general statutes is repealed and the
168 following is substituted in lieu thereof (*Effective July 1, 2023*):

169 (a) There is created a Tobacco and Health Trust Fund which shall be

170 a separate nonlapsing fund. The purpose of the trust fund shall be to
171 create a continuing significant source of funds to [(1)] support and
172 encourage development of programs to reduce tobacco [abuse] and
173 nicotine use through prevention, education and cessation programs [,
174 (2) support and encourage development of programs to reduce
175 substance abuse, and (3) develop and implement programs to meet the
176 unmet physical and mental health needs in the state] that use evidence-
177 based best practices regarding (1) state and community interventions,
178 (2) communication methods to disseminate health information to a wide
179 audience, (3) cessation interventions, (4) surveillance and evaluation,
180 and (5) infrastructure, administration and management. The trust fund
181 shall be used to support the reduction in use of all tobacco and nicotine
182 products, including, but not limited to, combustible, noncombustible,
183 electronic and synthetic tobacco and nicotine products.

184 (b) The trust fund may accept transfers from the Tobacco Settlement
185 Fund and may apply for and accept gifts, grants, [or] donations,
186 assignments or transfers from public or private sources to enable the
187 trust fund to carry out its objectives.

188 (c) The trust fund shall be administered by a board of trustees, except
189 that the board shall suspend its operations from July 1, 2003, to June 30,
190 2005, inclusive. The board shall consist of seventeen trustees. The
191 appointment of the initial trustees shall be as follows: (1) The Governor
192 shall appoint four trustees, one of whom shall serve for a term of one
193 year from July 1, 2000, two of whom shall serve for a term of two years
194 from July 1, 2000, and one of whom shall serve for a term of three years
195 from July 1, 2000; (2) the speaker of the House of Representatives and
196 the president pro tempore of the Senate each shall appoint two trustees,
197 one of whom shall serve for a term of two years from July 1, 2000, and
198 one of whom shall serve for a term of three years from July 1, 2000; (3)
199 the majority leader of the House of Representatives and the majority
200 leader of the Senate each shall appoint two trustees, one of whom shall
201 serve for a term of one year from July 1, 2000, and one of whom shall
202 serve for a term of three years from July 1, 2000; (4) the minority leader
203 of the House of Representatives and the minority leader of the Senate

204 each shall appoint two trustees, one of whom shall serve for a term of
205 one year from July 1, 2000, and one of whom shall serve for a term of
206 two years from July 1, 2000; and (5) the Secretary of the Office of Policy
207 and Management, or the secretary's designee, shall serve as an ex-officio
208 voting member. Following the expiration of such initial terms,
209 subsequent trustees shall serve for a term of three years. The trustees
210 shall continue to serve until their successors are appointed or
211 designated. Any vacancy occurring other than by expiration of term
212 shall be filled in the same manner as the original appointment for the
213 balance of the unexpired term. The period of suspension of the board's
214 operations from July 1, 2003, to June 30, 2005, inclusive, shall not be
215 included in the term of any trustee serving on July 1, 2003. The trustees
216 shall serve without compensation except for reimbursement for
217 necessary expenses incurred in performing their duties. The board of
218 trustees shall establish rules of procedure for the conduct of its business
219 which shall include, but not be limited to, criteria, processes and
220 procedures to be used in selecting programs to receive money from the
221 trust fund. The trust fund shall be within the Office of Policy and
222 Management for administrative purposes only. The board of trustees
223 shall, not later than January first of each year, submit a report of its
224 activities and accomplishments to the joint standing committees of the
225 General Assembly having cognizance of matters relating to public
226 health and appropriations and the budgets of state agencies, in
227 accordance with section 11-4a.

228 (d) (1) For the fiscal year ending June 30, 2023, and each fiscal year
229 thereafter, the board of trustees, by majority vote, shall recommend
230 authorization of disbursement from the trust fund of the amount
231 deposited in the trust fund for the fiscal year pursuant to subsection (c)
232 of section 4-28e, as amended by this act, for the purposes described in
233 subsection (a) of this section and section 19a-6d. The board's
234 recommendations shall give [(i)] (A) priority to [programs that address
235 tobacco and substance abuse and serve minors, pregnant women and
236 parents of young children] comprehensive tobacco and nicotine control
237 programs for (i) prevention of initial tobacco and nicotine product use

238 among youth and young adults, (ii) smoking cessation directed at adults
239 and youth, (iii) elimination of exposure to secondhand smoke and
240 aerosol, and (iv) identification and elimination of tobacco and nicotine-
241 related disparities, and [(ii)] (B) consideration to the availability of
242 private matching funds. Recommended disbursements from the trust
243 fund shall be in addition to any resources that would otherwise be
244 appropriated by the state for such purposes and programs.

245 (2) The board of trustees shall submit such recommendations for the
246 authorization of disbursement from the trust fund to the joint standing
247 committees of the General Assembly having cognizance of matters
248 relating to public health and appropriations and the budgets of state
249 agencies. Not later than thirty days after receipt of such
250 recommendations, said committees shall advise the board of their
251 approval, modifications, if any, or rejection of the board's
252 recommendations. If said joint standing committees do not concur, the
253 speaker of the House of Representatives, the president pro tempore of
254 the Senate, the majority leader of the House of Representatives, the
255 majority leader of the Senate, the minority leader of the House of
256 Representatives and the minority leader of the Senate each shall appoint
257 one member from each of said joint standing committees to serve as a
258 committee on conference. The committee on conference shall submit its
259 report to both committees, which shall vote to accept or reject the report.
260 The report of the committee on conference may not be amended. If a
261 joint standing committee rejects the report of the committee on
262 conference, the board's recommendations shall be deemed approved. If
263 the joint standing committees accept the report of the committee on
264 conference, the joint standing committee having cognizance of matters
265 relating to appropriations and the budgets of state agencies shall advise
266 the board of said joint standing committees' approval or modifications,
267 if any, of the board's recommended disbursement. If said joint standing
268 committees do not act within thirty days after receipt of the board's
269 recommendations for the authorization of disbursement, such
270 recommendations shall be deemed approved. Disbursement from the
271 trust fund shall be in accordance with the board's recommendations as

272 approved or modified by said joint standing committees.

273 (3) After such recommendations for the authorization of
274 disbursement have been approved or modified pursuant to subdivision
275 (2) of this subsection, any modification in the amount of an authorized
276 disbursement in excess of fifty thousand dollars or ten per cent of the
277 authorized amount, whichever is less, shall be submitted to said joint
278 standing committees and approved, modified or rejected in accordance
279 with the procedure set forth in subdivision (2) of this subsection.
280 Notification of all disbursements from the trust fund made pursuant to
281 this section shall be sent to the joint standing committees of the General
282 Assembly having cognizance of matters relating to public health and
283 appropriations and the budgets of state agencies, through the Office of
284 Fiscal Analysis.

285 (4) The board of trustees shall submit a biennial report to the joint
286 standing committees of the General Assembly having cognizance of
287 matters relating to public health and appropriations and the budgets of
288 state agencies, in accordance with the provisions of section 11-4a. Such
289 report shall include, but need not be limited to, an accounting of the
290 unexpended amount in the trust fund, if any, all disbursements and
291 other expenditures from the trust fund and an evaluation of the
292 performance and impact of each program receiving funds from the trust
293 fund. Such report shall also include the measurable outcome and
294 evaluation criteria and application process used to select programs to
295 receive such funds.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2023	4-28e(c)
Sec. 2	July 1, 2023	17a-674c
Sec. 3	July 1, 2023	17a-674d(j)
Sec. 4	July 1, 2023	4-28f

Statement of Purpose:

To make various revisions to the statutes concerning the use of funds in the opioid and tobacco settlement funds and funds received by the state

as part of any settlement agreement with a manufacturer of electronic nicotine delivery system and vapor products.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]