



General Assembly

**Substitute Bill No. 6914**

January Session, 2023



**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2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2023*):

4 (c) Commencing with the fiscal year ending June 30, [2023] 2024,  
5 annual disbursements from the Tobacco Settlement Fund shall be  
6 made as follows: (1) To the Tobacco and Health Trust Fund in an  
7 amount equal to [twelve million dollars; and (2)] twenty-two million  
8 seven hundred thousand dollars; (2) to the Commissioner of Mental  
9 Health and Addiction Services for distribution to the regional  
10 behavioral health action organizations, as described in section 17a-  
11 484f, in the amount received in the preceding fiscal year pursuant to  
12 the stipulated judgment in State of Connecticut v. JUUL Labs, Inc. for  
13 the funding of programs to support the abatement, mitigation,  
14 cessation, reduction or prevention of the use of nicotine or nicotine-  
15 synthetic products by residents under twenty-one years of age in  
16 accordance with such judgment; and (3) the remainder to the General  
17 Fund.

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 Section 17a-674c of the general statutes is repealed and the  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

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

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

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

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

46 (1) An inventory of fund investments as of the most recent fiscal  
47 year; and

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

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

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

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

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

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

72 (4) Evidence-informed substance use disorder prevention,  
73 treatment, recovery or harm reduction pilot programs or  
74 demonstration studies that are not evidence-based, but are approved  
75 by the committee as an appropriate use of moneys for a limited period  
76 of time as specified by the committee, provided the committee shall  
77 assess whether the evidence supports funding such programs or  
78 studies or whether it provides a basis for funding such programs or  
79 studies with an expectation of creating an evidence base for such

80 programs and studies;

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

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

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

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

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

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

109 ~~[(f)]~~ (g) (1) For purposes of this section, the fund balance shall be

110 determined by the State Treasurer as of July first, annually.

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

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

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

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

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

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

160 Sec. 3. Subsection (j) of section 17a-674d of the general statutes is  
161 repealed and the following is substituted in lieu thereof (*Effective July*  
162 *1, 2023*):

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

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

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

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

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

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

234 (d) (1) For the fiscal year ending June 30, 2023, and each fiscal year  
235 thereafter, the board of trustees, by majority vote, shall recommend  
236 authorization of disbursement from the trust fund of the amount  
237 deposited in the trust fund for the fiscal year pursuant to subsection (c)  
238 of section 4-28e, as amended by this act, for the purposes described in  
239 subsection (a) of this section and section 19a-6d. The board's



240 recommendations shall give [(i)] (A) priority to [programs that address  
241 tobacco and substance abuse and serve minors, pregnant women and  
242 parents of young children] comprehensive tobacco and nicotine  
243 control programs for (i) prevention of initial tobacco and nicotine  
244 product use among youth and young adults, (ii) smoking cessation  
245 directed at adults and youth, (iii) elimination of exposure to  
246 secondhand smoke and aerosol, and (iv) identification and elimination  
247 of tobacco and nicotine-related disparities, and [(ii)] (B) consideration  
248 to the availability of private matching funds. Recommended  
249 disbursements from the trust fund shall be in addition to any resources  
250 that would otherwise be appropriated by the state for such purposes  
251 and programs.

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

274 approval or modifications, if any, of the board's recommended  
275 disbursement. If said joint standing committees do not act within thirty  
276 days after receipt of the board's recommendations for the  
277 authorization of disbursement, such recommendations shall be  
278 deemed approved. Disbursement from the trust fund shall be in  
279 accordance with the board's recommendations as approved or  
280 modified by said joint standing committees.

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

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

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2023</i>	4-28e(c)
Sec. 2	<i>July 1, 2023</i>	17a-674c
Sec. 3	<i>July 1, 2023</i>	17a-674d(j)
Sec. 4	<i>July 1, 2023</i>	4-28f

**PH**      *Joint Favorable Subst.*