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ALASKA STATE LEGISLATURE

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HB 344 Sponsor Statement

"An Act establishing the opioid settlement fund."

House Bill 344 establishes the Opioid Litigation Settlement Fund to improve the tracking and management of opioid settlement proceeds received by the State of Alaska.

In 2021 and 2022, lawsuits were filed across the country against multiple manufacturers, distributors, and pharmacy chains for their role in the marketing and distribution of prescription opioids. In 2023, national settlement agreements were reached, requiring companies to pay billions of dollars to states and communities across the country. As a participant, Alaska will receive settlement funds over the course of multiple years. The terms require that at least 85 percent of funds be used for opioid abatement efforts, including treatment, prevention, and recovery services.

The FY 2024 state audit found that these opioid settlement funds were incorrectly recorded in the state's financial statements. In part, this was attributed to the lack of a designated account for settlement funds. The audit recommended the legislature create a new account to record and manage opioid settlement proceeds.

HB 344 directly responds to this finding by establishing the Opioid Litigation Settlement Fund as a separate fund in the state treasury. Establishing this fund improves transparency, strengthens financial reporting, and ensures settlement proceeds can be clearly tracked as they are received and used for opioid abatement efforts.

Alaska continues to face significant challenges related to substance use and overdose. Settlement funds represent an important resource to support prevention, treatment, and recovery programs across the state. HB 344 provides the financial structure necessary to manage these resources and respond to the recommendations of the Legislative Audit.