

ASSEMBLY BILL NO. 374—ASSEMBLYMEN TOLLES; AND ROBERTS

MARCH 22, 2021

JOINT SPONSOR: SENATOR SEEVERS GANSERT

Referred to Committee on Health and Human Services

SUMMARY—Establishes requirements governing the expenditure of proceeds of litigation relating to opioids. (BDR 40-991)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to substance use disorders; creating the Substance Use Disorder Working Group and the Opioid Abatement Fund; requiring the Working Group to allocate the proceeds of certain litigation between the Fund and certain local governments; requiring the Working Group to award grants and financial support from the Fund to support programs, procedures and strategies of certain state and local governmental entities for treating, preventing or reducing opioid use disorder and the misuse of opioids; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law: (1) creates the Fund for a Healthy Nevada; (2) requires the State Treasurer to deposit in the Fund the proceeds of litigation by the State against manufacturers of tobacco products; and (3) requires the Department of Health and Human Services, with the authorization of the Legislature, to allocate the money in the fund for certain purposes to address the health needs of residents of this State. (NRS 439.620, 439.630) This bill similarly: (1) creates the Opioid Abatement Fund to hold the proceeds of litigation by the State and participating local governments concerning the manufacture, distribution, sale and marketing of opioids; and (2) provides for the distribution of that money. **Sections 3-5** of this bill define necessary terms. **Section 6** of this bill creates the Substance Use Disorder Working Group within the Office of the Attorney General, and **section 7** of this bill prescribes requirements for the operation of the Working Group. **Section 8** of this



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bill creates the Fund and requires the Working Group to administer the Fund. **Section 8** exempts expenditures from the Fund from requirements governing purchasing by state agencies, but requires the Interim Finance Committee to authorize any such expenditure. **Section 9** of this bill requires the Working Group to allocate the proceeds of litigation by the State and participating local governments concerning the manufacture, distribution, sale and marketing of opioids between the Fund and participating local governments. **Section 8** requires such allocations to be authorized by the Interim Finance Committee. **Section 11** of this bill authorizes the Interim Finance Committee to perform duties relating to such allocations and expenditures during a regular session of the Legislature. **Section 12** of this bill requires any state agency or participating locality that has previously received proceeds of such litigation to transfer any uncommitted portion of those proceeds to the Working Group for allocation pursuant to **section 9**. **Section 10** of this bill requires the Working Group to: (1) conduct public hearings to solicit input concerning programs, procedures and strategies used by state agencies and participating localities to treat, prevent or reduce opioid use disorder and the misuse of opioids; (2) establish a process to evaluate the needs of residents of this State relating to the treatment, prevention and reduction of opioid use disorder and the misuse of opioids; and (3) with the authorization of the Interim Finance Committee, award grants and other financial support from the Fund to support programs, procedures and strategies used by state agencies and participating local governments to treat, prevent or reduce opioid use disorder and the misuse of opioids. **Section 10** also requires the Working Group to evaluate annually the progress and results of each project funded through such grants and financial support and submit a report to the Governor, the Attorney General, the Legislature and certain other entities.

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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** Chapter 458 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this act.

**Sec. 2.** *As used in sections 2 to 10, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3, 4 and 5 of this act have the meaning ascribed to them in those sections.*

**Sec. 3.** *“Fund” means the Opioid Abatement Fund created by section 8 of this act.*

**Sec. 4.** *“Participating locality” means any local governmental entity that agrees to be bound by the terms of a settlement or judgment in a civil action by the State of Nevada concerning the manufacture, distribution, sale and marketing of opioids.*

**Sec. 5.** *“Working Group” means the Substance Use Disorder Working Group created by section 6 of this act.*

**Sec. 6. 1.** *The Substance Use Disorder Working Group is hereby created in the Office of the Attorney General.*

**2.** *The Working Group consists of the following members:*



(a) *The Director of the Department of Health and Human Services, or his or her designee;*

(b) *The Chair of the Senate Standing Committee on Finance;*

(c) *The Chair of the Assembly Standing Committee on Ways and Means;*

(d) *One member of the Senate who is appointed by the Senate Majority Leader;*

(e) *One member of the Senate who is appointed by the Senate Minority Leader;*

(f) *One member of the Assembly who is appointed by the Speaker of the Assembly;*

(g) *One member of the Assembly who is appointed by the Assembly Minority Leader;*

(h) *One member of the governing body of a county or city in this State, appointed jointly by the Nevada Association of Counties, or its successor organization, and the Nevada League of Cities, or its successor organization;*

(i) *One representative of a local governmental entity that provides or oversees the provision of behavioral health services in a county whose population is 700,000 or more, appointed by the Attorney General;*

(j) *One representative of a local governmental entity that provides or oversees the provision of behavioral health services in a county whose population is 100,000 or more but less than 700,000, appointed by the Attorney General;*

(k) *One representative of a local governmental entity that provides or oversees the provision of behavioral health services in a county whose population is less than 100,000, appointed by the Attorney General;*

(l) *One member who is the sheriff of a county in this State, appointed by the Attorney General from a list of three sheriffs compiled by the Nevada Sheriffs' and Chiefs' Association, or its successor organization;*

(m) *Two providers of health care with expertise in public health or opioid use disorder, appointed by the Attorney General;*

(n) *The Director of the Department of Public Safety, or his or her designee;*

(o) *The Director of the Department of Corrections, or his or her designee;*

(p) *One advocate for victims of opioid use disorder and family members of such victims, appointed by the Attorney General;*

(q) *One person who is in recovery from a substance use disorder, appointed by the Attorney General;*

(r) *One person who provides treatment to persons with substance use disorders, appointed by the Attorney General;*



(s) *One person who provides services relating to the prevention of substance use disorders, appointed by the Attorney General; and*

(t) *One representative of manufacturers of prescription drugs, appointed by the Attorney General.*

3. *Appointed members of the Working Group serve at the pleasure of the appointing authority.*

4. *Members of the Working Group serve without compensation and are not entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.*

5. *A member of the Working Group who is an officer or employee of this State or a political subdivision of this State must be relieved from his or her duties without loss of regular compensation to prepare for and attend meetings of the Working Group and perform any work necessary to carry out the duties of the Working Group in the most timely manner practicable. A state agency or political subdivision of this State shall not require an officer or employee who is a member of the Working Group to:*

(a) *Make up the time he or she is absent from work to carry out his or her duties as a member of the Working Group; or*

(b) *Take annual leave or compensatory time for the absence.*

**Sec. 7. 1.** *At the first meeting of each calendar year, the Working Group shall elect from its members a Chair.*

2. *The Working Group shall meet at the call of the Chair or a majority of its members.*

3. *A majority of the members of the Working Group constitutes a quorum for the transaction of business, and a majority of a quorum present at any meeting is sufficient for any official action taken by the Working Group.*

4. *The Attorney General shall provide staff assistance to the Working Group.*

**Sec. 8. 1.** *The Opioid Abatement Fund is hereby created in the State Treasury.*

2. *The Working Group shall administer the Fund. As administrator of the Fund, the Working Group:*

(a) *Shall maintain the financial records of the Fund;*

(b) *Shall invest the money in the Fund as the money in other state funds is invested;*

(c) *Shall manage any account associated with the Fund;*

(d) *Shall maintain any instruments that evidence investments made with the money in the Fund;*

(e) *May contract with vendors for any good or service that is necessary to carry out the provisions of this section; and*



(f) May perform any other duties necessary to administer the Fund.

3. The interest and income earned on the money in the Fund must, after deducting any applicable charges, be credited to the Fund. All claims against the Fund must be paid as other claims against the State are paid.

4. The Working Group may submit to the Interim Finance Committee a request for an allocation for administrative expenses from the Fund pursuant to this section. The Interim Finance Committee may allocate all or part of the money so requested.

5. The money in the Fund remains in the Fund and does not revert to the State General Fund at the end of any fiscal year.

6. Money expended from the Fund must not be used to supplant existing methods of funding that are available to public agencies.

7. The provisions of chapter 333 of NRS do not apply to the expenditure of money in the Fund.

8. The Working Group shall submit all proposed allocations to the Fund or a participating locality pursuant to section 9 of this act and expenditures from the Fund pursuant to section 10 of this act to the Interim Finance Committee. Upon approval of the appropriate committee or committees, the money may be so expended.

**Sec. 9. 1. The Working Group shall, subject to legislative authorization, allocate in accordance with subsection 2:**

(a) All money received by this State or a participating locality pursuant to any settlement entered into by the State of Nevada concerning the manufacture, distribution, sale and marketing of opioids; and

(b) All money recovered by this State or a participating locality from a judgment in a civil action by the State of Nevada concerning the manufacture, distribution, sale and marketing of opioids.

2. The Working Group shall allocate a portion of the money described in subsection 1 determined by the Working Group to each participating locality and deposit the remainder in the Fund. If the terms of a settlement or an agreement between a participating locality and the State:

(a) Prescribe a formula for allocating such money, the Working Group must allocate the money in accordance with that formula.

(b) Authorize a participating locality to agree on a formula for allocating such money, the participating locality may submit the formula to the Working Group. If the State agrees to allocate



1 *money in accordance with the formula, the Working Group must*  
2 *allocate the money in accordance with that formula.*

3 *3. The Working Group may accept and deposit into the Fund*  
4 *gifts, grants, donations and appropriations to support the*  
5 *programs, procedures and strategies described in section 10 of this*  
6 *act.*

7 **Sec. 10. 1. The Working Group shall:**

8 *(a) Conduct public hearings to accept public testimony from a*  
9 *wide variety of sources and perspectives regarding existing or*  
10 *proposed evidence-based and evidence-informed programs,*  
11 *procedures and strategies used by agencies of this State and*  
12 *participating localities to treat, prevent or reduce opioid use*  
13 *disorder and the misuse of opioids.*

14 *(b) Establish a process to evaluate the needs of the residents of*  
15 *this State relating to the treatment, prevention and reduction of*  
16 *opioid use disorder and the misuse of opioids and a system to rank*  
17 *the problems of the residents of this State relating to opioid use*  
18 *disorder, including, without limitation, the specific health*  
19 *problems that are endemic to urban and rural communities.*

20 *(c) Subject to legislative authorization, use the money in the*  
21 *Fund to award grants and provide other financial support to*  
22 *agencies of this State and participating localities for evidence-*  
23 *based and evidence-informed programs, procedures and strategies*  
24 *to treat, prevent or reduce opioid use disorder or the misuse of*  
25 *opioids. Such efforts may include, without limitation, the*  
26 *establishment, maintenance, expansion or improvement of:*

27 *(I) Evidence-based or evidence-informed programs,*  
28 *procedures and strategies to:*

29 *(I) Treat opioid use disorder and any co-occurring*  
30 *substance use disorder or mental illness;*

31 *(II) Support persons who are in recovery from opioid*  
32 *use disorder and any co-occurring substance use disorder or*  
33 *mental illness;*

34 *(III) Improve access to care for persons who are*  
35 *experiencing or are at risk of experiencing opioid use disorder and*  
36 *any co-occurring substance use disorder or mental illness;*

37 *(IV) Address the needs of people who are experiencing*  
38 *opioid use disorder and any co-occurring substance use disorder*  
39 *or mental illness who are incarcerated or otherwise involved in the*  
40 *criminal justice system;*

41 *(V) Address the needs of pregnant women and mothers*  
42 *who are experiencing opioid use disorder and any co-occurring*  
43 *substance use disorder or mental illness and the needs of their*  
44 *families, including, without limitation, infants with neonatal*  
45 *abstinence syndrome;*



(VI) Ensure that opioids are prescribed appropriately and in accordance with NRS 639.2391 to 639.23916, inclusive;

(VII) Discourage or prevent the misuse of opioids; and

(VIII) Prevent deaths due to opioid overdose and other harms caused by opioid use disorder and opioid misuse;

(2) Programs for the treatment of alcohol and other substance use disorders established by a court pursuant to NRS 176A.230 or programs for the treatment of mental illness established by a court pursuant to NRS 176A.250 that provide evidence-based or evidence-informed treatment options for people who are experiencing opioid use disorder and any co-occurring substance use disorder or mental illness; and

(3) Programs, procedures and strategies to provide comprehensive resources for persons seeking detoxification from opioids, including, without limitation, detoxification services.

2. In awarding grants and financial support pursuant to paragraph (c) of subsection 1, the Working Group shall prioritize proposals to:

(a) Collaborate with an existing program or organization that has an established record of success in treating, preventing or reducing opioid use disorder or the misuse of opioids;

(b) Treat, prevent or reduce opioid use disorder or the misuse of opioids in:

(1) A community with a high incidence of opioid use disorder or overdose from opioid use relative to the population; or

(2) A community that is historically economically disadvantaged; or

(c) Match any financial support awarded pursuant to paragraph (c) of subsection 1 with an amount contributed by or on behalf of the applicant, with a higher priority for larger monetary matches.

3. A state agency or participating locality shall not use a grant or other financial support received pursuant to paragraph (c) of subsection 1 for indirect costs of administering the money received or for any other purpose prohibited by the terms of the grant or financial support.

4. The Working Group shall annually evaluate the progress and results of each project to which money is allocated pursuant to paragraph (c) of subsection 1. On or before January 31 of each year, the Working Group shall:

(a) Compile a report which includes, without limitation, a complete list of projects to which money was allocated during the previous calendar year, the amount of money allocated to each project and the results of the evaluation of each project; and





*(b) Submit the report to the Governor, the Attorney General, the Advisory Commission on the Administration of Justice, any other entities deemed appropriate by the Attorney General and the Director of the Legislative Counsel Bureau for transmittal to:*

*(1) During an even-numbered year, the Legislative Committee on Health Care and the Interim Finance Committee; or*

*(2) During an odd-numbered year, the next regular session of the Legislature.*

**Sec. 11.** NRS 218E.405 is hereby amended to read as follows:

218E.405 1. Except as otherwise provided in subsection 2, the Interim Finance Committee may exercise the powers conferred upon it by law only when the Legislature is not in a regular or special session.

2. During a regular or special session, the Interim Finance Committee may also perform the duties imposed on it by NRS 228.1111, subsection 5 of NRS 284.115, NRS 285.070, subsection 2 of NRS 321.335, NRS 322.007, subsection 2 of NRS 323.020, NRS 323.050, subsection 1 of NRS 323.100, subsection 3 of NRS 341.126, NRS 341.142, paragraph (f) of subsection 1 of NRS 341.145, NRS 353.220, 353.224, 353.2705 to 353.2771, inclusive, 353.288, 353.335, 353C.224, 353C.226, paragraph (b) of subsection 4 of NRS 407.0762, NRS 428.375, 439.4905, 439.620, 439.630, 445B.830, subsection 1 of NRS 445C.320 and NRS 538.650 ~~and~~ **and section 8 of this act.** In performing those duties, the Senate Standing Committee on Finance and the Assembly Standing Committee on Ways and Means may meet separately and transmit the results of their respective votes to the Chair of the Interim Finance Committee to determine the action of the Interim Finance Committee as a whole.

3. The Chair of the Interim Finance Committee may appoint a subcommittee consisting of six members of the Committee to review and make recommendations to the Committee on matters of the State Public Works Division of the Department of Administration that require prior approval of the Interim Finance Committee pursuant to subsection 3 of NRS 341.126, NRS 341.142 and paragraph (f) of subsection 1 of NRS 341.145. If the Chair appoints such a subcommittee:

(a) The Chair shall designate one of the members of the subcommittee to serve as the chair of the subcommittee;

(b) The subcommittee shall meet throughout the year at the times and places specified by the call of the chair of the subcommittee; and

(c) The Director or the Director's designee shall act as the nonvoting recording secretary of the subcommittee.





1       **Sec. 12.** 1. Any state agency or participating locality that has  
2 received money from a settlement or judgment in a civil action by  
3 the State of Nevada concerning the manufacture, distribution, sale  
4 and marketing of opioids before the effective date of this act shall,  
5 to the extent authorized by the settlement or judgment, transfer to  
6 the Working Group any portion of such money that remains  
7 uncommitted for allocation pursuant to section 9 of this act.

8       2. As used in this section:

9       (a) “Participating locality” has the meaning ascribed to it in  
10 section 4 of this act.

11       (b) “Working Group” has the meaning ascribed to it in section 5  
12 of this act.

13       **Sec. 13.** The provisions of subsection 1 of NRS 218D.380 do  
14 not apply to any provision of this act which adds or revises a  
15 requirement to submit a report to the Legislature.

16       **Sec. 14.** This act becomes effective upon passage and  
17 approval.

