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[/ NATIONAL OPIOIDS SETTLEMENTS – INFORMATION FOR CALIFORNIA CITIES AND COUNTIES](#)

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Eligible cities and counties should have recently received a letter via US Mail about two national opioid settlements (the Settlements). This page provides answers to frequently asked questions regarding the Settlements and the proposed California State-Subdivision Agreements. The deadline to join these two Settlements is January 2, 2022.

FAQs (Frequently Asked Questions) about the National Settlements – Information for California Cities and Counties

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1. We received a letter in the mail about two opioid Settlements. Is it real?
 - o The letter you received relates to two proposed Settlements resolving claims against the nation's 3 largest opioid Distributors (AmerisourceBergen, Cardinal Health, and McKesson) and manufacturer Janssen Pharmaceuticals and its parent company Johnson & Johnson (together, J&J) for their roles in the opioid epidemic. The letters were mailed in September 2021.

California and its cities and counties stand to receive up to \$2.2 billion for substance use prevention, harm reduction, treatment, and recovery.

Payments would be made over the next 18 years, starting in Spring 2022.

The more cities and counties that join, the more the Distributors and J&J will pay California and our participating cities and counties.

2. How can my city or county join the Settlements?

- Cities and counties must first register with the notice administrator at <https://settlement-registration.web.app/>. You must have your city or county's unique 6-digit alphanumeric registration code, which was included in the letter. If you do not have your unique registration code, please email us at OpioidSettlement-LocalGovernment@doj.ca.gov. Cities may also contact the League of California Cities and counties may contact the California State Association of Counties (CSAC) to obtain registration codes.

Registering with the notice administrator does not obligate you to join the Settlements. Registering will help ensure your city or county receives the forms that it will need to join the Settlements.

Once your city or county has registered, you will receive participation forms and other information from the notice administrator. If your city or county decides to join the Settlements, it may submit the participation forms electronically via DocuSign, once the DocuSign system is operational. Your city or county may also elect to sign paper copies.

By agreeing to participate in the Settlements, your city or county is also agreeing to the Proposed California State-Subdivision Agreement for the Settlement(s) your city or county joins. The Proposed California State-Subdivision Agreements provide the framework for how funds from the Settlements may be distributed, allocated, and spent in California.

Participation in both Settlements will require four signatures total:

1. signature agreeing to participate in the Distributors Settlement;
2. signature agreeing to the Proposed California State-Subdivision Agreement – Distributor Settlement;

3. signature agreeing to participate in the Janssen Settlement; and
4. signature agreeing to the Proposed California State-Subdivision Agreement – Janssen Settlement.

3. Is there a deadline for joining the Settlements?

- Yes. Cities and counties that wish to become initially participating subdivisions must sign and submit the participation forms and Proposed California State-Subdivision Agreements by January 2, 2022. Cities and counties that anticipate joining but will not be able to submit the required forms by January 2, 2022, should notify the AG's office by sending an email to OpioidSettlement-LocalGovernment@doj.ca.gov as soon as possible.

4. Has the State joined the Settlements?

- Yes. California Attorney General Rob Bonta, together with the majority of state Attorneys General across the country, signed on to the Settlements in August 2021. Those AGs and lawyers representing thousands of cities and counties in the national opioid litigation strongly encourage signing-on to the Settlements.

Cities and counties that join will help bring more money to California, which will help communities and families with resources for substance use prevention, harm reduction, treatment, and recovery.

5. Does my city or county need to join both Settlements?

- No. A city or county may choose to join one or both of the Settlements. As noted above, the more cities and counties that join, the more the settling defendants will pay California and our participating cities and counties under the Settlements.

6. Are all California cities and counties eligible to receive funds from the Settlements?
 - Cities and counties with a population greater than 10,000, based on the U.S. Census Bureau's population estimates for July 1, 2019 (released May 2020), are eligible to receive funds. Certain litigating cities and counties with a population less than 10,000 are also eligible to receive funds.

7. If my city or county joins, how much will it receive?
 - California expects to receive up to 9.92% of the national settlement funds. The amount California ultimately receives will depend on how many states and eligible cities and counties join the Settlements. The amounts that California may receive will be divided into three funds: 1) State fund 15%; 2) CA Subdivision Fund 15%; and 3) CA Abatement Accounts Fund 70%. Subdivisions that join can expect to receive their abatement percentage share of the CA Abatement Accounts Fund as provided in Appendix 1 to the Proposed California State-Subdivision Agreement.

California may receive up to \$1.8 billion from the Distributors Settlement and \$423 million from the Janssen Settlement. The Distributors will make their payments over the course of 18 years, while Janssen will make payments over the course of 9 years.

8. How were the above percentages set?
 - The allocation model in Appendix 1 that sets forth the distribution of funds is based on nationally available federal data on opioid use disorder, overdose deaths, and opioid shipments into California, and was developed by lawyers and experts in the national opioid litigation.

9. If my city or county joins, will it receive direct payment?

- If a city joins, and it is located in a county that decides to participate in the Settlement, your allocated amount will be paid to the county unless you choose direct payment. You may find your city's abatement percentage in Appendix 1 to the Proposed California State-Subdivision Agreements. You may decide to opt in or out of direct payment at any time, and may also choose to receive only a portion of your share directly. Instructions for how to elect direct payment will be provided at a later date.

If a county joins, it will receive direct payment if it joins the Settlements, unless it chooses to direct funds to another eligible city or county.

10. If my city does not elect direct payment, is it still obligated to report on the use of those funds?

- Section 5 of the Proposed California State-Subdivision Agreements lays out certain annual reporting requirements for cities and counties that receive direct payment of funds. There are additional reporting requirements under the Distributors and Janssen Settlement Agreements. If your city or county chooses not to receive direct payment of funds under the Settlements, it will not be subject to those reporting requirements.

11. If my city or county does not join, what happens to my allocated share?

- If a city or county does not join, its share of the CA Abatement Accounts Fund will go to the State. However, since the settlement amount California may receive is dependent upon participation by cities and counties, the total amount that California receives may be reduced.

12. If my city or county receives direct payments from the Settlements, is it required to spend the monies for particular uses?

- o Yes. The Settlements require funds to be used primarily for opioid abatement. Please see Section 4.B.ii of the Proposed California State-Subdivision Agreements, Section V of and Exhibit E to the Distributors Settlement Agreement, and Section VI of and Exhibit E to the Janssen Settlement Agreement for specific limitations on the use of Settlement funds.

13. What about attorney's fees for cities and counties?

- o The Settlements establish a \$1.6 billion Attorney Fee Fund and \$200 million Cost Fund for attorneys representing cities and counties that join the Settlements. The Settlements require outside attorneys who recover from those funds to waive enforcement of their contingency fee entitlements as to all of their clients and notify their clients accordingly. Subdivisions may also enter into back-stop agreements to pay their contingency-fee attorneys from any monies they receive from the CA Subdivision Fund, as provided in Section 5 of the Proposed California State-Subdivision Agreements and Exhibit R, Section 1(R) of the Distributor and Janssen Settlement Agreements.

14. Why are the California State-Subdivision Agreements "proposed"?

- o Cities and counties will accept the Proposed California State-Subdivision Agreements through the sign-on process. Exhibit O to the Distributors and Janssen Settlement Agreements lay out certain requirements that must be met before state-subdivision agreements may be approved. Once those thresholds are met, the California State-Subdivision Agreements will become final.

15. Where can I get more information about the Settlements?

- Cities and counties that retained attorneys to file opioid litigation should consult their attorneys.

Cities and counties may also contact the Attorney General's opioids team via email at OpioidSettlement-LocalGovernment@doj.ca.gov.

Additional settlement-related information is available at <https://nationalopioidsettlement.com/>.

Check back for updates to this FAQ.

Disclaimer: To the extent any of the answers in this FAQ are inconsistent with the Distributors Agreement, Janssen Agreement, California State-Subdivision Agreement – Distributors, or California State-Subdivision Agreement – Janssen, those agreements will govern over any inconsistent responses in this FAQ.