

## **ORDINANCE NO. 2714**

### **AN ORDINANCE OF THE CITY OF SALISBURY ESTABLISHING A SPECIAL REVENUE FUND, TO BE KNOWN AS “OSP FUND”, FOR THE PURPOSE OF ACCOUNTING FOR OPIOID SETTLEMENT PROCEEDS RECEIVED FROM THE STATE OF MARYLAND.**

**WHEREAS**, the national settlement agreements arising from lawsuits filed against three major opioid distributors and manufacturer Johnson & Johnson provide for each State to receive a specified share of the overall opioid settlement proceeds; and

**WHEREAS**, the State of Maryland and its local governments, including the City of Salisbury, negotiated and entered into a separate State-Subdivision Agreement to address the allocation of the opioid settlement proceeds throughout the State of Maryland; and

**WHEREAS**, the State-Subdivision Agreement allocates opioid settlement proceeds directly and indirectly (through grant opportunities) to the City of Salisbury; and

**WHEREAS**, the national settlement agreements and the State-Subdivision Agreement require that all opioid settlement proceeds (“OSP”) are to be utilized for opioid abatement purposes only; and

**WHEREAS**, the City of Salisbury is required to establish a separate fund in order to ensure such OSP revenues and expenditures are accounted for separate from other City activities; and

**WHEREAS**, in order to receive, and remain qualified to receive, opioid settlement proceeds, all funds deposited into the OSP Fund will have a corresponding automatic appropriation of an equivalent amount for opioid abatement purposes; and

**WHEREAS**, this separate fund shall be called the “OSP Fund”.

**NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND**, as follows:

**Section 1.** An OSP Fund shall be established for the purpose of receiving the City’s share of opioid settlement proceeds from the State of Maryland and accounting for expenditures of such proceeds in accordance with the national opioid settlement agreements and the corresponding State-Subdivision Agreement.

**Section 2.** The OSP funds shall only be expended for opioid abatement purposes as permitted by the aforementioned agreements and shall not be withdrawn or otherwise applied for any other purpose.

**BE IT FURTHER ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND**, as follows:

**Section 3.** It is the intention of the Mayor and Council of the City of Salisbury that each provision of this Ordinance shall be deemed independent of all other provisions herein.


**Section 4.** It is further the intention of the Mayor and Council of the City of Salisbury that if any section, paragraph, subsection, clause or provision of this Ordinance shall be adjudged invalid, unconstitutional or otherwise unenforceable under applicable Maryland or federal law, such adjudication shall apply only to the section, paragraph, subsection, clause or provision so adjudged and all other provisions of this Ordinance shall remain and shall be deemed valid and enforceable.

**Section 5.** The recitals set forth hereinabove are incorporated into this section of the Ordinance as if such recitals were specifically set forth at length in this Section 5.

**Section 6.** This Ordinance shall take effect from and after the date of its final passage.

**THIS ORDINANCE** was introduced and read at a Meeting of the Mayor and Council of the City of Salisbury held on the 7<sup>th</sup> day of March, 2022 and thereafter, a statement of the substance of the Ordinance having been published as required by law, in the meantime, was finally passed by the Council of the City of Salisbury on the 14<sup>th</sup> day of March, 2022.

**ATTEST:**

  
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**Kimberly R. Nichols, City Clerk**

  
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**John R. Heath, City Council President**

Approved by me, this 18th day of March, 2022.

  
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**Jacob R. Day, Mayor**

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INTER

OFFICE

# MEMO

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## *Finance Department*

**To:** Julia Glanz, City Administrator  
**From:** Keith Cordrey, Director of Finance *KAC*  
**Subject:** OPS Fund  
**Date:** March 3, 2022

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The City of Salisbury has been advised litigation proceeds will be received as a result of national agreements from lawsuits filed against three major opioid distributors.

Please find attached an Ordinance that established a separate "Special Revenue Fund" called the "OSP Fund" to account for the litigation proceeds received and the related expenditures.

After your review, if you do not have questions or concerns, please forward this ordinance to council for their consideration.