

**CITY COUNCIL**  
**CITY OF LYNNWOOD**  
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**TITLE: Agreement: Additional Opioid Settlement Agreement Participation Form (Six Remnant Defendants Settlement)**

**DEPARTMENT CONTACT: Darcy Kirschner, Executive Office**

**SUMMARY:**

Requesting that City Council authorize the Mayor to sign the additional Participation Form governing the allocation of funds paid by the Opioid Pharmacy & Manufacturer Settlements in Washington State.

**PRESENTER:**

Lynn D. Sordel, Interim Assistant City Administrator

**ESTIMATED TIME:**

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**BACKGROUND:**

In January of 2024, Attorney General Bob Ferguson announced the State of Washington had entered a \$149.5 million settlement with Johnson and Johnson. The settlement dedicated \$123.3 million to be dedicated to abating the opioid crisis in Washington.

A new national opioid settlement has been reached with six remnant defendants. They include the following regional distributors/dispenser defendants:

1. Associated Pharmacies, Inc.
2. JM Smith Corporation
3. Louisiana Wholesale Drug Company, Inc.
4. Morris and Dickson Co.
5. North Carolina Mutual Wholesale Drug Company, Inc.
6. United Natural Foods, Inc.

As the City of Lynnwood has participated in prior national opioid settlements, it is mandatory for the city to “opt in” to participate in this new settlement.

**SUGGESTED ACTION:**

Authorize the Mayor to sign the Six Remnant Settlement Washington State-Wide Opioid Settlement Agreement Participation Form.

**PREVIOUS COUNCIL ACTIONS:**

In May of 2022, the City Council authorized the Mayor to sign a memorandum of

understanding (MOU) for the One Washington Opioid Settlement. This MOU established a framework for distributing and sharing the settlement proceeds resulting from an agreement reached with McKesson, Cardinal Health, and AmerisourceBergen - known as the "Big 3" opioid distributors - which split \$430 million between the State and Washington cities and counties. Washington cities and counties with population over 10,000 could join this settlement in order to receive up to \$215 million in total to be spent on efforts to combat the opioid epidemic.

The City Council authorized the Mayor to sign the participation form and original Allocation Agreement on May 23, 2022. On April 10, 2023, the City Council authorized the Mayor to sign on to five additional settlements with five companies: CVS, Walgreens, Walmart, Teva, and Allergan. On March 11, 2024 City Council authorized the Mayor to sign on to the Janssen Settlement. The AGO estimates that these settlements, divided between Washington State and local jurisdictions, could total \$517 million.

The national settlement and settlement administrator have reporting and tax cooperation requirements that the City will need to follow. Settlement funds must be spent on an approved use for fighting the opioid epidemic, as listed in Exhibit E of the national settlement agreement. Given the volume of pages in the national settlement agreement, the full agreement is not including it in the packet, but it can be found online at <https://www.atg.wa.gov/opioid-pharmacy-manufacturer-settlements>.

The deadline for eligible cities and counties to join this additional settlement is May 4, 2026.

### **FUNDING:**

It is unknown at this time how much the City of Lynnwood is set to receive if the City signs the Six Remnant Settlement Participation Form. The final distribution is dependent upon the total number of cities and counties that also sign the Participation Form.

### **DEPARTMENT ATTACHMENTS**

Description:

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[Remnant Exhibit G Subdivision Settlement Participation Form.pdf](#)