

Town of Franklin

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OFFICE OF THE TOWN ADMINISTRATOR

Memorandum

January 12, 2024

To: Town Council
From: Jamie Hellen, Town Administrator
Amy Frigulietti, Deputy Town Administrator

Re: Resolution 24-05: Termination of the Massachusetts Statewide Opioid Settlement Stabilization Fund, as well as Dedication of Revenues Thereto, as Authorized by G.L. Chapter 77 of the Acts of 2023

We are asking the Town Council to approve Resolution 24-05 which if approved will terminate the Opioid Settlement Stabilization Fund.

The only reason for this legislation is due to altering guidance from the state Department of Revenue guidance that came out in December 2023. This is administrative legislation and does not affect any revenue streams.

The Deputy Town Administrator will begin to work with community stakeholders throughout 2024 to develop a strategic plan for the opioid settlement distribution as outlined in the Town Council/Town Administrator Goals.

Bulletin

BUL-2023-7

G.L. c. 44, § 53 Clause 4: Opioid Settlement Receipts

TO: Local Officials
FROM: Deborah A. Wagner, Director of Accounts
DATE: December 2023

This guidance supersedes BUL-2023-6 and the July 7, 2022 edition of *City and Town, Ask DLS: Treatment of Opioid Settlement Payments*.

On December 4, 2023, Governor Healey signed [Chapter 77 of the Acts of 2023](#), Section 9 of which provides, in part, for the following exception to the general rule that all receipts are to be recorded as general fund revenue per [G.L. c. 44, § 53](#):

“(4) non-recurring, unanticipated sums received by multiple cities, towns or districts and not otherwise provided for by general or special law, may, upon the approval of the director of accounts, be expended at the direction of the chief executive officer without further appropriation only for the singular purpose for which the monies were received” (emphasis added)

The Director of Accounts has determined that cities and towns that have received or will receive funds in Fiscal Year 2024, or thereafter, pursuant to settlement agreements entered into by the Commonwealth with opioid distributors and opioid-makers for prevention, harm reduction, treatment, and recovery, may place said funds into a special revenue fund. The proceeds can then be expended, without further appropriation, at the direction of the chief executive officer only for the purpose identified in said settlement agreements.

Section 197 of the Act further allows a community to consolidate all monies previously received for this purpose into the special revenue fund, mentioned above, in the following ways.

1. If prior year settlement funds have not otherwise been reserved (i.e., dedicated to a stabilization fund) or become part of certified free cash, then those funds may be placed directly into the special revenue fund.
2. If already dedicated to a stabilization fund, said dedication can be revoked at any time by vote of the legislative body. Upon revocation, all statewide opioid settlement receipts previously received may be placed in the special revenue fund.
3. If a community has settlement funds in a stabilization fund but did not dedicate future settlement receipts, the money currently in stabilization can be placed directly into the special revenue fund.

In the case of #2 or #3 above, once funds are moved from the stabilization fund, by virtue of having no remaining balance the stabilization fund can be removed from the balance sheet.

4. Settlement funds that have become part of free cash may be appropriated into the special revenue fund by vote of the community's legislative body.

Once placed in the special revenue fund, monies can be spent without further appropriation for purpose identified in the settlement agreements. Any interest belongs to the general fund.

The transfers of funds, noted in #1-#4 above, represent a limited ability to consolidate previously received opioid settlement monies into the newly allowed special revenue fund. These transfers are permitted only for this express purpose and should not be considered a general change to how monies are otherwise accounted for under the General Laws.

If you have any further questions, please contact your BOA field representative.



**TOWN OF FRANKLIN
RESOLUTION 24-05**

**Termination of the Massachusetts Statewide Opioid Settlement
Stabilization Fund, as well as Dedication of Revenues Thereto, as
Authorized by G.L. Chapter 77 of the Acts of 2023**

WHEREAS, G.L. Chapter 40, Section 5B authorizes a municipality to create a stabilization fund for a specified purpose and to appropriate amounts thereto, provided that said action is effective for at least 3 years, and the Town of Franklin through its Town Council voted to create such a fund to accumulate revenue received from the Massachusetts Statewide Opioid Settlement by Resolution 22-89 and

WHEREAS, Chapter 77 of the Acts of 2023 eliminates the minimum 3 year provision and authorizes a municipality to terminate a specialized stabilization fund at any time and

WHEREAS, the Town of Franklin wishes to terminate the Massachusetts Opioid Statewide Settlement Stabilization Fund and the dedication of revenues received from the Commonwealth of Massachusetts thereto from such settlement as Authorized by Chapter 77 of the Acts of 2023,

NOW THEREFORE BE IT VOTED by the Franklin Town Council that:

The "Massachusetts Statewide Opioid Settlement Stabilization Fund" as well as the dedication of revenues thereto is hereby terminated as authorized by Chapter 77 of the Acts of 2023 and by G.L Chapter 40, Section 5B

This resolution shall become effective according to the provisions of the Town of Franklin Home Rule Charter.

DATED: _____, 2024

VOTED: _____

UNANIMOUS: _____

A TRUE RECORD ATTEST:

YES: _____ **NO:** _____

ABSTAIN: _____ **ABSENT:** _____

RECUSED: _____

**Nancy Danello, CMC
Town Clerk**

**Glenn Jones, Clerk
Franklin Town Council**