



Town of Dighton
Town Administrator
979 Somerset Avenue
Dighton, MA 02715

Opioid Settlement Stabilization and Cannabis Stabilization Fund Overviews

Opioid Settlement Stabilization Fund Overview

- In late 2022 the Town received \$10,114.89 in settlement funds through the Janssen and National Opiate Distributor agreements.
- Dighton expects to receive an additional \$33,925.85 from the National Opiate Distributor settlement agreement from July 2024 to July 2038.
- Dighton expects to receive an additional \$2,300.52 from the Janssen Settlement agreement from June 2026 to June 2031.
- The Town, in the spring of 2023, also signed up to receive mitigation from the settlement that the MA Attorney General's Office reached with CVS, Walgreens, Walmart, Allergan and Teva for additional settlement funds; we have not yet been made aware of Dighton's portion.
- As outlined Settlement and state requirements impose strict spending requirements on use of spending; generally requires that all funds to be used to supplement and strengthen resources for prevention, harm reduction, treatment, and recovery (more on Page 4 of second attachment).
- Given the required tracking and subsequent reporting requirements—in addition to ensuring a dedicated and transparent accounting mechanism for the funds in line with settlement requirements—the Opioid Settlement Stabilization fund is being proposed.
- It has become a model and largely the norm for communities to create such a fund to manage said settlement funds. As a town administrator colleague in another community explained: *"(the) only way we could determine this could happen was with a separate fund to track the funds. Unfortunately, until the Commonwealth determines the correct fund type or authorizes a special fund, we will have to fill the new account with funds out of free cash each year equal to the amounts received from the settlements."*

Cannabis Stabilization Fund Overview

- The Fiscal Year 2024 operating budget has been built with a revenue projection of \$35,000 in cannabis local excise tax revenues. The operating budget revenues do not include Community Impact Fee revenues required by the Host Community Agreement between the Town of Dighton and 1Connection. The Town received \$25,000 in HCA revenue in FY22 which closed out to free cash. The Town received \$36,042 in HCA revenue in FY24 which closed out to free cash and is being proposed to deposited into the newly created Cannabis Stabilization Fund.
- Like the Opioid Settlement funds, HCA revenues are currently being subject to intense scrutiny by the state Cannabis Control Commission (CCC) and other state officials. Newly adopted CCC regulations will also begin to require the phasing out of all HCA Community Impact Fees; there has also been discussion of the CCC clawing back already such fees that have already been collected by host communities.
- We are currently in the second year of our 3-year Host Community Agreement with 1Connection. Not only do we have to be prepared for scrutiny of this revenue in Dighton, the collection of these revenues may not be possible in a future HCA agreement with 1Connection or any other entity.
- The establishment of a stabilization fund for community impact fee revenues has also quickly become a typical practice for many Massachusetts communities. Establishing one in Dighton would likewise allow us to establish a clear accounting and tracking process for HCA-related revenues and Town Meeting-approved expenditures.
- A 2018 Local Finance Opinion from the Department of Revenue's Division of Local Services (DLS) was provided well before the recent scrutiny on HCA Community Impact Fees: **"7. Is there a way under state law that a municipality may dedicate payments made by a marijuana establishment or medical marijuana treatment center for later appropriation for particular purposes?** Yes. A municipality may use a local acceptance option to dedicate all, or a portion of at least 25%, of the collections of the excise on retail sales of marijuana or payments from a community host and other agreement payments to a general or special purpose stabilization fund established under G.L. c. 40 § 5B. For the procedure that must be followed to accept and use this local option, see Section II of Informational Guideline Release (IGR) No. 17-20, Stabilization Funds. Under this option, these

collections and payments may be dedicated to stabilization funds because they are not earmarked for a particular purpose under current state law. In addition, the excise on marijuana retail sales is not a locally assessed tax or excise specifically excluded from dedication.”