



MARK BRNOVICH
Attorney General

Office of the Attorney General
State of Arizona

November 3, 2020

City of San Luis
C/O Kay Macuil
City Attorney
PO Box 1170
San Luis, AZ 85349

Re: One Arizona Opioid Settlement Memorandum of Understanding

Dear Ms. Macuil:

State and local governments across the country have been litigating against the opioid industry in response to their alleged unethical and illegal practices. Arizona now has an opportunity to settle with some of the manufacturers and distributors and secure financial resources to contend with the devastation that has been caused to our communities. **The total amount of money that Arizonans receive is dependent upon the number of local governments that participate, so I invite you to join our efforts.**

A major step to facilitating a resolution with the opioid parties was recently achieved. The State of Arizona and all 15 counties have now agreed to the **One Arizona Opioid Settlement Memorandum of Understanding** (the "*One Arizona Plan*" or "MOU"). This MOU provides a framework for distributing opioid settlement funds fairly and effectively throughout our state. Moreover, the *One Arizona Plan* treats both litigating and non-litigating political subdivisions equally.

Like all states engaged in this process, Arizona's MOU employs certain formulas and data collected by federal agencies such as (i) opioid use disorder rates, (ii) the number of opioid overdose deaths, and (iii) the amount and potency of opioids shipped to each community. U.S. Census Bureau data is also used to determine historical expenditures related to opioid abatement for designated areas. With this in mind, please be assured that my office has made every effort to maximize recovery for all cities and towns. In fact, under the MOU the State government's share of funds actually declines with the participation of more counties and cities. Nevertheless, this structure was agreed to because it will increase the overall benefit to Arizona's residents.

Also important to consider is what the *One Arizona Plan* will not do. Unlike some other states, Arizona's *MOU* does not create new foundations, form boards, or make political appointments to control the funding. In fact, our MOU does the exact opposite thus cutting red tape

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and streamlining the grant process to quickly get the funds to those in need. Local governments are best able to utilize resources targeted for their constituents, so no state authorization is required for expenditure. The only requirements are that funds be spent in accordance with the approved purposes detailed in the *One Arizona Plan's* Exhibit A, and that basic reciprocal reporting be completed.

Standing together, we can maximize critically needed resources to assist Arizonans impacted by the opioid crisis, so our goal is 100% participation among cities and towns. I urge you to consider the *One Arizona Plan* with your legal counsel, execute the MOU in the space provided and return it to my office. The deadline to submit your signature page is **December 15, 2020 at 5:00 pm.** Any questions that you have may be addressed to Acting Section Chief Matthew du Mée at Matthew.duMee@azag.gov, or Assistant Attorney General Jennifer Bonham at Jennifer.Bonham@azag.gov.

Respectfully yours,



Mark Brnovich
Attorney General

Enclosures:

One Arizona Opioid Settlement Memorandum of Understanding

Exhibits: A-D

City/Town Signature Page

cc: Joseph Sciarrotta, Jr., AGO Civil Litigation Division Chief Counsel
Matthew du Mée, AGO Acting Consumer Protection & Advocacy Section Chief Counsel
Jennifer Bonham, AGO Assistant Attorney General
Tom Belshe, Executive Director – League of Arizona Cities and Towns
Christina Estes-Werther, General Counsel – League of Arizona Cities and Towns