

# HOUSE BILL No. 1237

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-6-15-4.

**Synopsis:** Use of opioid settlement funds. Provides that distributions to the local abatement opioid settlement account to cities, counties, and towns may be used for the procurement of mobile radio equipment by a city, county, or town for use by first responders, in addition to programs of treatment, prevention, and care that are best practices as defined or required by a settlement document or court order under current law.

**Effective:** July 1, 2026.

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## Genda

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January 5, 2026, read first time and referred to Committee on Local Government.

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Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

## HOUSE BILL No. 1237

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 4-6-15-4, AS AMENDED BY P.L.201-2023,  
2 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2026]: Sec. 4. (a) Except as provided by any bankruptcy court  
4 order or bankruptcy settlement, and subject to subsection (g), funds  
5 received from opioid litigation settlements that resolve existing state  
6 and political subdivision litigation lawsuits as of January 1, 2021, shall  
7 be distributed in a minimum of two (2) payments per year in the  
8 following manner:  
9 (1) Fifteen percent (15%) to the state unrestricted opioid  
10 settlement account established by IC 4-12-16.2-5(1) for the  
11 benefit of the state.  
12 (2) Fifteen percent (15%) to the local unrestricted opioid  
13 settlement account established by IC 4-12-16.3-5(1) for  
14 distribution as reimbursement to cities, counties, and towns  
15 according to a weighted distribution formula identified in  
16 settlement documents that accounts for opioid impacts in  
17 communities.



(3) Thirty-five percent (35%) to the state abatement opioid settlement account established by IC 4-12-16.2-5(2) to be used for statewide treatment, education, and prevention programs for opioid use disorder and any co-occurring substance use disorder or mental health issues as defined or required by the settlement documents or court order.

(4) Thirty-five percent (35%) to the local abatement opioid settlement account established by IC 4-12-16.3-5(2) for distribution to cities, counties, and towns according to a weighted distribution formula identified in settlement documents that accounts for opioid impacts in communities. However, if a city's or town's annual distribution under this subdivision is:

(A) for a distribution made before July 1, 2023, less than one thousand dollars (\$1,000); or

(B) for a distribution made after June 30, 2023, less than five thousand dollars (\$5,000);

the city's or town's annual distribution must instead be distributed to the county in which the city or town is located.

(5) Distributions under ~~this~~ subdivision (4) may be used only for:

(A) programs of treatment, prevention, and care that are best practices as defined or required by the settlement documents or court order; **or**

**(B) the procurement of mobile radio equipment by a city, county, or town for use by first responders, as designated under IC 10-10.5-2-1.**

(b) Any attorney's fees or costs required to be paid by the state, including any amount in a settlement designated for payment of state attorney's fees or costs, shall be deducted from the distribution described in subsection (a)(1), even if the funds have not been deposited in the agency settlement fund.

(c) The amounts distributed under subsection (a)(2) and (a)(4) are annually appropriated to the office of the attorney general to make the distributions described under subsection (a)(2) and (a)(4).

(d) Funds received from the settlement may not be distributed to a city, county, or town that has opted out of the settlement under section 2(b) of this chapter. The settlement funds that are not distributed to the cities, counties, or towns that have opted out of the settlement must be distributed in the manner set forth under subsection (a)(2) and (a)(4) to the cities, counties, or towns that have opted into the settlement.

(e) All entities receiving opioid settlement funds shall monitor the use of those funds and provide an annual report to the office of the secretary of family and social services not later than a date determined



1 by the office of the secretary of family and social services.

2 (f) The office of the secretary of family and social services shall  
3 compile and submit an annual comprehensive report of the information  
4 received under subsection (e) to the general assembly in an electronic  
5 format under IC 5-14-6 not later than October 1 of each year  
6 identifying all funds committed and used as specified by any settlement  
7 documents or court order.

8 (g) If any settlement documents or court order, assurance of  
9 voluntary compliance, or other form of agreement related to opioids  
10 requires at least seventy percent (70%) of the settlement proceeds to be  
11 used for treatment, education, recovery, or prevention programs, any  
12 amount of settlement funds in addition to those distributed under  
13 subsection (a)(3) and (a)(4) that are needed to meet the terms must first  
14 come from funds that would otherwise be distributed under subsection  
15 (a)(1).

16 (h) Any city, county, or town receiving a distribution under  
17 subsection (a)(2) or (a)(4) may transfer all or part of its distribution to  
18 another city, county, or town to be used for the benefit of both  
19 communities.

20 (i) Upon a majority vote of the legislative body, a city, county, or  
21 town receiving a distribution under subsection (a)(2) or (a)(4) may sell  
22 for cash or other consideration the right to receive the distribution.  
23 However, the proceeds from the sale of a distribution received under  
24 subsection (a)(2) must be used for the purposes allowed for a  
25 distribution under subsection (a)(2), and the proceeds from the sale of  
26 a distribution received under subsection (a)(4) must be used for the  
27 purposes allowed for a distribution under subsection (a)(4). A city,  
28 county, or town may pledge, grant a lien on, or grant a security interest  
29 in a distribution to effectuate a sale under this subsection. The  
30 legislative body's approval of the sale is conclusive as to the adequacy  
31 of the consideration for the sale.

