



Maryland's Office of Overdose Response

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Opioid Restitution Fund Policy Bulletin: Allowable Spending

The State of Maryland and 58 local Maryland subdivisions are currently participating in several settlement agreements with pharmaceutical companies and distributors for their roles in misleading the public regarding the risk of prescription opioids. Maryland is a part of the National Opioid Settlement Agreement, which governs a large majority of the funds that Maryland will receive over the next 15–18 years. The National Opioid Settlement Agreement includes parameters around allowable spending to ensure that funds will only be used for opioid remediation, and state law (such as [State Finance and Procurement Article §7–331](#)) can impose restrictions on allowable spending in addition to those identified in the National Settlement Agreement.

The National Opioid Settlement Agreement allows for up to 15% of funds to be spent for purposes other than opioid remediation. However, the State Subdivision Agreements (SSA) of [2022](#) and [2023](#) (which govern the distribution and use of opioid settlement funds in Maryland) restrict spending in Maryland further. The 2022 SSA specifies the following in Section III:

“(a) Except as provided under subsection (b), all expenditures of Settlement Proceeds by the State or its subdivisions shall be for Permitted Uses that serve the purpose of Future Opioid Remediation as set forth in the National Settlement Agreement.

“(b) Notwithstanding subsection A, any Subdivision receiving settlement proceeds pursuant to Section IV(a)(3) of this Agreement may use up to 15 percent to pay for past Opioid Remediation consistent with Permitted Uses, subject to the accounting requirements of the National Settlement Agreement and the provisions of Section VI(a) of this Agreement.”

Section IV(a)(3) of the SSA refers to the local allocation, the funds that go directly to subdivisions and make up 25% of the total state settlement, which states:

“(3) Local Allocation. The Settlement Fund Administrator shall allocate 25 percent of all Annual Payments to the Subdivision Fund for distribution directly to the Local Abatement Funds established by participating Qualifying Exhibit G Subdivisions in accordance with each subdivision’s Subdivision Allocation Percentage as calculated pursuant to Section V of this Agreement, provided that no more than 60 percent of these local allocation funds (15 percent of all Base Payments and Incentive Payments overall) may be used for purposes other than Future Opioid Remediation).”

Pursuant to this agreement, *all* prescription opioid settlement proceeds distributed pursuant to the SSA in Maryland must be spent as set forth above. Only the local allocation can be used for past opioid remediation, and that is still subject to allowable uses and is limited to 15%. Maryland's allowable uses have recently been expanded to be inclusive of [Exhibit E](#) of the National Settlement Agreement, after the passage of Senate Bill 594 of 2025.