
SENATE BILL NO. 377—SENATORS SEEVERS GANSERT, BUCK,
KRASNER, HANSEN, STONE; GOICOECHEA AND TITUS

MARCH 27, 2023

JOINT SPONSORS: ASSEMBLYMEN DICKMAN,
O'NEILL; DELONG AND GALLANT

Referred to Committee on Government Affairs

SUMMARY—Requires the Legislative Auditor to conduct an audit of certain costs and expenses associated with opioid-related litigation. (BDR S-757)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to legal services; requiring the Legislative Auditor to conduct an audit of certain costs and expenses associated with opioid-related litigation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law requires the Legislative Auditor, who is the chief of the Audit
2 Division of the Legislative Counsel Bureau, to conduct certain audits of state
3 boards and agencies and other entities. (Chapter 218G of NRS, NRS 218F.100)
4 This bill requires the Legislative Auditor to conduct an audit of the costs and
5 expenses that the State of Nevada has reimbursed a retained attorney or law firm in
6 connection with the investigation and litigation of claims involving the
7 manufacture, distribution, sale or marketing of opioids.

1 WHEREAS, Similar to the rest of the nation, Nevada is
2 experiencing a tragic opioid epidemic with many Nevadans
3 suffering opioid-related addictions, overdoses, hospitalizations and
4 deaths; and

5 WHEREAS, In May 2018, the Office of the Nevada Attorney
6 General filed a lawsuit against an opioid manufacturer to enforce the
7 consumer protection laws of Nevada; and



1 WHEREAS, On January 23, 2019, the Governor, in consultation
2 with the Attorney General, determined in writing pursuant to NRS
3 228.1111 that the Attorney General lacked the resources to provide
4 representation in the opioid-related litigation and that representation
5 pursuant to a contingent fee contract was cost-effective and in the
6 public interest; and

7 WHEREAS, On January 30, 2019, the Interim Finance
8 Committee, in accordance with NRS 228.1111, approved the
9 commitment of money for the purpose of entering into such a
10 contract; and

11 WHEREAS, On May 2, 2019, the Attorney General entered into a
12 contract pursuant to NRS 228.111 to 228.1118, inclusive, for legal
13 representation of the State of Nevada in ongoing and anticipated
14 future litigation relating to the opioid epidemic; and

15 WHEREAS, Pursuant to NRS 228.1116, the contract excludes
16 from the contingent fee certain costs and expenses actually incurred
17 by the retained attorneys, including, without limitation, court costs,
18 expenses of investigation and the costs of discovery, and those costs
19 and expenses are required to be reimbursed by the State of Nevada;
20 and

21 WHEREAS, It is fiscally prudent to review whether the costs and
22 expenses reimbursed by the State of Nevada in the opioid-related
23 litigation are reasonable and necessary to the advancement of the
24 legal objectives of the State of Nevada in the litigation and to
25 identify whether any errors or inefficiencies occurred; now,
26 therefore,

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28 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
29 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

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31 **Section 1.** 1. The Legislative Auditor shall conduct an audit
32 of the costs and expenses that the State of Nevada has reimbursed a
33 retained attorney or law firm in connection with the investigation
34 and litigation of claims involving the manufacture, distribution, sale
35 or marketing of opioids.

36 2. The audit must include, without limitation, a determination
37 of the reasonableness and necessity of the costs and expenses
38 described in subsection 1 and whether those costs and expenses
39 were reimbursed in accordance with contractual and legal
40 requirements.

41 3. Every officer and employee of the Office of the Attorney
42 General, and any retained attorney or law firm with which the
43 Office of the Attorney General has entered into a contingent fee
44 contract pursuant to NRS 228.111 to 228.1118, inclusive, for the
45 opioid-related litigation shall cooperate fully with and provide such



1 information as is required by the Legislative Auditor to assist with
2 the completion of the audit.

3 4. On or before February 3, 2025, the Legislative Auditor shall
4 present a final written report of the audit performed pursuant to this
5 section to the Audit Subcommittee of the Legislative Commission
6 created by NRS 218E.240.

7 **Sec. 2.** This act becomes effective upon passage and approval.

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