

DISTRIBUTORS: Base and Incentives

Base 55%
Incentives 45%
Net Abatement Amount

Incentives are earned by obtaining releases from subdivisions and limiting additional subdivisions from filing suit.

During the first two years, States that settle are treated as if receiving full base and incentive.

Illustrative only- Executed Agreements Control.

Incentive A

Incentive A provides for payment of all but Incentive D payments in exchange for near full peace.

Incentive A is earned by:

- Passing a Statute or court ruling that terminates existing and bars future claims by subdivisions (including special districts);
- Receiving releases on behalf of (i) all general purpose subdivisions above 10,000 population, (ii) larger school and hospital/health districts, and (iii) all currently litigating subdivisions; or
- A combination of these approaches that results in a complete bar of existing and future claims (e.g., legislation barring future claims combined with 100% participation by litigating subdivisions).

Incentive B

- Incentive B is not relevant if a State earns Incentive A.
- Incentive B is up to 25%.
- Incentive B is earned by obtaining releases from litigating subdivisions.

Incentive B Sliding Scale:

Participation or Case-Specific Resolution Levels	Incentive B Award
85%	30%
86-90%	40%
91-94%	50%
95-99%	60%
99-99.9%	95%
100%	100%

Not structured in time periods, as with Incentive B under the J&J Agreement.

Incentive C

- Incentive C is not relevant if a State earns Incentive A.
- Incentive C is up to 15%.
- Incentive C is earned by getting larger (population of 30,000) non-litigating and any-sized litigating counties and cities to join the deal.

Incentive C Sliding Scale:

Participation, Release, or Resolution Levels	Incentive C Award
60-69%	25%
70-74%	35%
75-79%	40%
80-84%	45%
85-89%	55%
90-92%	60%
93%	65%
94%	75%
95-97%	90%
98-99%	95%
100%	100%

There is no timing element.

Incentive D

5% share of the State's total Abatement Fund allocation (see page 20). Payable starting in year 6 through year 18.

Qualifying Criteria

- State must have had no later Litigating Subdivisions bring suit and proceed past preliminary motions.