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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
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Legislative Budget  
Office

H.B. 523  
(1\_134\_1867-6)  
134<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 523's Bill Analysis](#)

**Version:** In House Behavioral Health and Recovery Supports

**Primary Sponsor:** Rep. Swearingen

**Local Impact Statement Procedure Required:** Yes

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### Highlights

- The bill requires a member county of a joint-county district, and in certain circumstances, a withdrawing county from such a district to continue to levy and collect an alcohol, drug addiction, and mental health services (ADAMHS)-related tax following district reorganization. This may increase revenue to those counties for purposes of maintaining the reorganized joint-county district (and the withdrawing county's new district, if applicable).
- The bill creates additional options regarding the number of members on an ADAMHS board. There could be costs to boards of county commissioners or ADAMHS boards associated with adjusting board size, such as adopting a resolution and making any necessary changes to websites, documents, etc. There could also be an impact on actual and necessary board member reimbursements.
- The bill requires the Ohio Department of Mental Health and Addiction Services (OhioMHAS) and the Ohio Department of Medicaid (ODM) to adopt rules regarding the exchange of Medicaid recipient data between ODM and ADAMHS boards. There will be costs to adopt rules and review information.
- The bill eliminates the requirement that ADAMHS boards take certain actions based on data in monthly reports from community addiction services providers, which could result in a reduction in associated administrative costs.

## Detailed Analysis

### Taxing authority

Currently, an alcohol, drug addiction, and mental health services (ADAMHS) board in a joint-county ADAMHS district may, with voter approval, levy property tax within the joint-county district to fund the district's operations (these district taxes are allowed under R.C. 5705.19). In addition, boards of county commissioners also may, with voter approval, levy property tax to fund either the operations of (1) a single-county ADAMHS board district or (2) an individual county's share of expenses for its role in a joint-county ADAMHS district (these county or county contribution levies are allowed under R.C. 5705.221). With respect to district taxes collected under R.C. 5705.19, the bill requires district tax revenues collected from a board of a joint-county district formed on or after the bill's effective date,<sup>1</sup> to be used only for the benefit of the residents of the county from which the revenue is derived. Currently, it appears that these district revenues may be used for the benefit of residents in all of the counties that make up the joint district. While this provision will not impact the operations of current joint-county districts, it will impact any joint-county districts formed after enactment. With respect to taxes collected under R.C. 5705.221, the bill requires revenues from these taxes collected for a joint-county contribution to be expended by the ADAMHS board for the benefit of residents of the specified county. It appears that these county contribution taxes may currently be used in this manner. If this is the case, the provision should not have a fiscal impact.

In addition, the bill also requires a county that remains part of a newly reorganized joint-county district to continue to levy its county contribution tax that was previously approved by voters, and to use the proceeds for the purposes of the new joint-county district. Further, the bill requires a county withdrawing from a joint-county district to continue to levy a county contribution tax pursuant to the terms approved by voters, but only if the county joins a new joint-county district or establishes its own single-county district in the year following its withdrawal. Under current law, a county may no longer be able to levy a county contribution tax upon a change in the counties making up a joint-county district of which it is a member. These provisions allowing each of the counties to continue to levy a county contribution tax, under specified conditions, may increase revenue to those counties for purposes of maintaining the reorganized joint-county district (and the withdrawing county's new district, if applicable), as compared with current law. These provisions are effective for tax years ending on or after the effective date of the bill.

Lastly, in circumstances related to the withdrawal of a county from a joint-county district, the bill requires a new county contribution or single-county tax, if it is intended to replace a district tax, to be designated as a renewal for ballot language purposes, under specified conditions. This provision affects only the wording in ballot language for a tax proposal. Identifying the proposed tax as a renewal, a renewal and increase, or a renewal and decrease property tax proposal could potentially affect voters' decisions, but the magnitude of the effect is unpredictable.

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<sup>1</sup> The bill specifies that a joint-county district is not formed by virtue of a county joining or withdrawing from a district or if a joint-county service district merges with another joint-county district.

## **Withdrawal from a joint-county district**

The bill establishes additional requirements for the comprehensive plan a board of county commissioners must submit when requesting withdrawal from a joint-county district. It also requires the Director of the Ohio Department of Mental Health and Addiction Services (OhioMHAS) to approve the comprehensive plan no later than one year after the date the resolution was adopted. This may result in some additional administrative review costs for boards of county commissioners and OhioMHAS. However, these costs would only occur in the event an ADAMHS board chooses to withdraw from a district.

## **ADAMHS board membership and appointments**

The bill makes a number of changes relating to the composition and appointment of ADAMHS boards. This includes allowing additional options (18, 15, 14, 12, or 9 members) regarding the number of members of an ADAMHS board (currently the board can have 18 or 14 members). The bill also describes the process involved in determining membership, including requiring the board or boards of county commissioners to adopt a resolution specifying the board size selected. Board size can be changed once every four calendar years. If the size of an ADAMHS board is adjusted, there could be initial costs to boards of county commissioners to adopt a resolution and possibly to ADAMHS boards to make any website or other necessary changes. In addition, while ADAMHS board members do not receive compensation for performing board-related duties, members do receive reimbursement for any actual and necessary expenses. If the number of board members changed, there could be an impact on reimbursements.

The bill also modifies the number of members appointed by the boards of county commissioners and by the OhioMHAS Director and the qualification requirements of members. The bill also removes the current prohibition on a person serving as an ADAMHS board employee if the person is related to a county commissioner in the board's jurisdiction. These provisions should not have a fiscal impact. Additionally, the bill allows a board member to be removed from office by the appointing authority at will (rather than for neglect of duty, misconduct, or malfeasance in office as in current law). The bill also requires a member be given an opportunity for a public hearing before removal. Any impacts will depend on if the provisions result in any additional removals.

## **ADAMHS board duties**

The bill requires ADAMHS boards to provide input and recommendations to OhioMHAS when a provider application or renewal has been submitted or when a provider is being investigated by OhioMHAS, if the board is aware of information that would be beneficial to the matter. There could be some minimal costs to provide this information assuming a board has such information and does not already provide said information to OhioMHAS. Additionally, the bill requires each ADAMHS board, as part of its duty to promote, arrange, and implement working agreements with public and private social service agencies, to include other government public benefit programs in order to coordinate those benefits and improve the administration and management of the programs. Furthermore, the bill requires OhioMHAS and the Department of Medicaid to adopt rules establishing requirements and procedures for the exchange of Medicaid recipient data between ADAMHS boards and the Department of Medicaid to coordinate public benefits, improve the management and administration of Medicaid and other public assistance programs offering addiction or mental health services, and to ensure that the essential elements

of a board's continuum of care are available to persons seeking addiction or mental health services. These provisions could increase administrative costs for ADAMHS boards, OhioMHAS, and the Department of Medicaid. However, it is possible that there could be some savings if the provisions resulted in better coordination and outcomes.

### **ADAMHS board contracts**

The bill removes the current dispute resolution process required if a party to a contract with an ADAMHS board seeks to terminate the contract, and specifies that contracts between ADAMHS boards and providers must include a process for early termination by the board, for any cause the board considers necessary, and a process by which the provider can appeal the board's decision regarding the early termination. The bill also clarifies that an ADAMHS board can choose to establish and use a process for selecting and entering into contracts on a competitive basis or any other basis the board considers appropriate. Any fiscal impacts will depend on the specifics of the contracts entered into or whether the board chooses to implement contracts on a competitive basis.

### **Reports**

The bill eliminates the requirement that ADAMHS boards take certain actions based on data in monthly reports from community addiction services providers. Specifically, the bill removes the requirements that each ADAMHS board: acknowledge to OhioMHAS that the board has received and reviewed the information, use the information to determine whether any opioid and co-occurring drug addiction services and recovery supports are not meeting the needs of the service district the board serves, and inform OhioMHAS of the determination the board makes. ADAMHS boards could realize a decrease in administrative costs since they will no longer be required to perform these duties.

The bill also removes outdated requirements pertaining to past reports on the county hub program to combat opioid addiction. There will be no fiscal impact associated with this removal.