



COUNTY ADVISORY BULLETIN

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HB 581 AUTHORIZES GENERAL AND COMBINED HEALTH DISTRICTS TO ACQUIRE PROPERTY; REMOVES DUTY OF COUNTY COMMISSIONERS TO FURNISH SUITABLE QUARTERS IF PROPERTY IS ACQUIRED

Effective Date: March 30, 1999.

Revised Code Sections Affected: 133.07 (Amended), 3707.55 (newly enacted).

Lead Sponsor: Batchelder (R-Medina).

House Co-Sponsors: Netzley (R-Laura), Brading (R-Wapakoneta), Buchy (R-Greenville), Carey (R-Wellston), Garcia (R-Toledo), Hodges (R-Wauseon), Mottley (R-West Carrollton), Reid (R-Beavercreek), Terwilleger (R-Goshen), and Evans (R-Newark).

Senate Co-Sponsors: Drake (R-Solon), Shoemaker (D-Bourneville), Mumper (R-Marion).

BACKGROUND

The Ohio Revised Code (ORC) authorizes the creation of three types of health districts: a) a city health district which is made up of the territory of a municipal corporation (ORC 3709.01); b) a general health district, which is made up of the townships and villages of a county (ORC 3709.01); and c) a combined general health district, also known simply as "combined district," which can be created through the merger of city and/or general health districts. (ORC 3709.07, 3709.071 and 3709.10). ORC 3709.07 grants the governing boards of combined districts the **same powers** as those of general health districts.

Among the statutory powers granted to the governing boards of general and combined health districts are the powers to rent office space or to receive office space or other real property by gift or devise. However, the ORC does not specifically authorize these health districts to purchase real property.

AUTHORITY TO PURCHASE REAL PROPERTY

HB 581 of the 122nd General Assembly, which became effective on March 30, 1999, changes the law by specifically authorizing the governing boards of general or **combined** health districts to acquire, convey, or lease real property to be used for the operations of the district. The bill also authorizes a board to enter into a contract to purchase, lease or sell such property and to enter into loan agreements, including mortgages, for the acquisition of such property. ORC 3707.55(A).

It should be stressed that the new law only authorizes general or combined health districts to “acquire, convey, or lease real property.” CCAO has learned that the bill may not authorize the districts to construct, reconstruct, remodel, furnish, or equip office space, as those terms were not included in the statute. Care should thus be taken in this regard, and the advice of the prosecutor or bond counsel is encouraged.

EFFECT OF PROPERTY ACQUISITIONS ON BOARDS OF COUNTY COMMISSIONERS

Current ORC Section 3709.34, as interpreted by the Ohio Attorney General (OAG), imposes a mandatory duty upon a board of county commissioners to furnish “suitable quarters” for a general health district that has jurisdiction over all or a major part of the board’s county. OAG 85-003.

Current law, as interpreted by the OAG, also allows but does not require, a board of county commissioners to furnish suitable quarters for a combined health district created under ORC 3709.07. OAG 91-016.

HB 581 changes the law by stating that a board of county commissioners has no duty to pay for or reimburse a general or combined health district for the cost of any real property the district may acquire under the authority granted in the bill.

The bill also specifically removes any obligation on the part of commissioners to furnish suitable quarters for a general or combined health district, if the health district acquires real property to be used for its operations. HB 581 removes the commissioners’ duty to provide any of the items that would make up a “suitable quarters,” including heat, electricity, water, toilet facilities, furniture, furnishings and equipment. The bill specifically overrules the language of ORC 3709.34 that, as interpreted by the Ohio Attorney General, imposes a mandatory duty on commissioners to provide suitable quarters.

Some commissioners may not be aware of the exact structure of public health districts in their counties. Listed below are the 23 Ohio counties that have general health districts, according to information contained on the Website of the Ohio Department of Health: Adams, Ashland, Brown, Carroll, Coshocton, Crawford, Geauga, Hancock, Harrison, Holmes, Jefferson, Lawrence, Marion, Meigs, Monroe, Morgan, Morrow, Noble, Paulding, Putnam, Scioto, Vinton and Washington.

These are the only counties in which commissioners are required by the ORC, as interpreted by the OAG, to provide office space for health districts.

COUNTY COMMISSIONERS MAY ISSUE SECURITIES FOR THE ACQUISITION OF HEALTH DISTRICT PROPERTY

HB 581 authorizes a board of county commissioners to issue securities under ORC Chapter 133 for the acquisition of real property by the board of a general or combined health district. However, this authority only arises if the county has a contract with the health district under which the health district agrees to pay the county an amount equal to the debt charges in the used securities on or before the date those charges are due. ORC 3707.55(C).

Any securities issued by a county for the acquisition of real property by a general health district is not to be considered in calculating the net indebtedness of the county. ORC 133.07(C)(17).

If you have any questions or need more information about HB 581, please contact Doug Putnam, CCAO Research and Information Manager, at 614/221-5627 or dputnam@ccao.org.