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TO: Members of the House Finance Health and Human Services Subcommittee

FROM: Larry L. Long, Executive Director

RE: **MULTI-COUNTY PROPERTY TAX LEVIES FOR PUBLIC HEALTH SERVICES (as proposed in HB 59, the biennial appropriations measure)**

The County Commissioners Association of Ohio appreciates the opportunity to testify on the proposal to allow general health districts to merge and to authorize multi-county real property tax levies for public health services. CCAO generally supports permissive and voluntary methods to collaborate or consolidate among governmental service providers.

Before delving into that issue, I would like to take a moment to express our appreciation for stable funding for so many of the vital programs counties administer in partnership with the state, including child welfare, child support enforcement, public assistance administration, and particularly proposed increased investment in the TANF county allocation.

You will be hearing from Joel Potts with the Ohio Job and Family Services Directors Association tomorrow on the need for additional administrative funding at the local level as we begin to transition next year from the archaic CRIS-E eligibility determination system to a new, more efficient eligibility determination system – first for Medicaid, and subsequently for other public assistance programs.

CCAO also supports an expansion of Medicaid eligibility. The ability to provide people with preventative care will not only ultimately reduce health care spending overall, but will also free up dollars in the local behavioral health system to be spent on non-Medicaid and wrap-around services. And of course, you have heard about the importance of expansion to vital community assets – our hospitals.

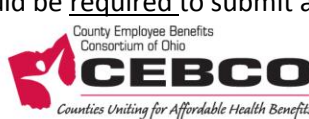
On the matter of public health districts, CCAO supports the change proposed in ORC Section 3709.10 that would eliminate the current law restriction that limits the merger of general health districts to no more than five. CCAO also supports the language change in this section of law that removes the current statutory requirement that general health districts must be contiguous to be eligible to merge.

CCAO, however, opposes the statutory change proposed in ORC Section 3709.29 that would allow multi-county levies where each board of county commissioners is the taxing authority. Under this statutory provision each board of commissioners, in the case of a multi-county general health district, would be required to submit any real property tax levy that was



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submitted to it by the multi-county board of health. The statute would mandate the commissioners to act in a “ministerial” capacity.

As such, each board of county commissioners would not have the authority to change the nature of any tax levy as proposed by the board of health of the multi-county general health district. This means that each board of county commissioners whose county is part of a multi-county general health district could not:

- Refuse to place a levy on the ballot in its county if certified by the multi-county board of health.
- Reduce the number of mills the board of health desires to submit to the electors.
- Reduce the duration or number of years of the proposed levy. Current law limits such levies for general health districts to not more than 10 years.
- Modify the nature of the levy as to whether the levy is a new levy, a renewal levy or a replacement levy.

In addition, since the changes in ORC Section 3709.29 refer to “each board of county commissioners in the case of a combined general health district located in more than one county”, and the language provides that the resolution submitting the tax “shall conform to Section 5705.191 of the Revised Code”, it appears that the tax would not become effective in each county unless it is approved by a majority of the voters from each county. The relevant portion of ORC Section 5705.19 states:

If a majority of the electors voting on the question vote in favor thereof, the taxing authority of the subdivision may make the necessary levy within such subdivision . . . at the additional rate or at any lesser rate outside the ten-mill limitation on the tax list and duplicate for the purpose stated in the resolution. Such tax levy shall be included in the next annual tax budget that is certified to the county budget commission.

Thus, it appears that the tax would not be a multi-county tax, but a series of single county real property tax levies, which is not what we understand is the intent.

CCAO thus suggests that the following changes be made if the multi-county levy authority is to be retained in the bill:

- Remove the language providing for multi-county general health levies in ORC Section 3709.29 and retain this section only for single county general health district levies.
- Amend ORC Section 3709.29 to assure that the authority of the board of county commissioners as the taxing authority is no longer “ministerial” in nature and that the board of commissioners has discretion over levies certified to them by the board of health of a single county general health district.

- If a multi-county general health district levy is to be authorized, the authority for such a levy should be provided for in ORC Section 5705.19, not in ORC Section 3709.29. In addition, it is necessary to define who the taxing authority is for the new multi-county general health district levy in ORC Section 5705.01.
- The taxing authority for the new multi-county general health district levy could be either a joint board of county commissioners involving each board of county commissioners from the counties that comprise the multi-county district, or the board of health of the multi-county district. The selection of one of these options depends on whether the subcommittee believes elected or appointed officials should be a taxing authority capable of submitting proposed levies to the electors.

CCAO appreciates the opportunity to point out the problems with the language as in the bill as introduced. We urge the subcommittee to make the changes suggested in this testimony and appreciate your consideration of this request. I would also point out that while there is currently statutory authority for multi-county health districts, none have yet been created. So, CCAO would be willing to take additional time to work on this provision with interested parties in a separate piece of legislation as well.

EXHIBIT 1
ORC SECTIONS 3708.10 AND 3709.29
AS PROPOSED IN H.B. 59

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| Sec. 3709.10. When it is proposed that two or more | 52999 |
| contiguous general health districts, not to exceed five , unite in | 53000 |
| the formation of one general health district, the district | 53001 |
| advisory council of each general health district shall meet and | 53002 |
| vote on the question of union. An affirmative majority vote of the | 53003 |
| district advisory council shall be required for approval. When the | 53004 |
| district advisory councils have voted affirmatively on the | 53005 |
| question, they shall meet in joint session and shall elect a board | 53006 |
| of health for the combined districts. Each original general health | 53007 |
| district shall be entitled to at least one member on the board of | 53008 |
| health of the combined districts. | 53009 |

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| When such union is completed, such <u>the</u> district shall | 53010 |
| constitute a general health district and shall be governed in the | 53011 |
| manner provided for general health districts. When two or more | 53012 |
| general health districts unite to form one district, the office of | 53013 |
| the board of health shall be located at the county seat of the | 53014 |
| county selected by the joint board of district advisory councils. | 53015 |

When two or more general health districts have been combined into a single district, the county auditor of the county selected by the joint board of district advisory councils as the location of the central office of the board of health shall be the auditor of such district and the county treasurer of such county shall be the custodian of the health funds of such district. When the budget of such combined general health district is a matter for consideration, the members of the budget commissions of the counties constituting the district shall sit as a joint board for considering and acting on such budget.

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Sec. 3709.29. As used in this section, "general health district" includes a combined general health district formed under section 3709.10 of the Revised Code.

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If the estimated amount of money necessary to meet the expenses of a general health district program will not be forthcoming to the board of health of such district out of the district health fund because the taxes within the ten-mill limitation will be insufficient, the board of health shall certify the fact of such insufficiency to the board or boards of county commissioners of the county or counties in which such district is located. ~~Such~~The board of county commissioners is hereby ordained to be a special taxing authority for the purposes of this section only, and, notwithstanding any other law to the contrary, the board of county commissioners of ~~any~~each county in which a general health district is located is the taxing authority for such special levy outside the ten-mill limitation. The board of county commissioners, or each board of county commissioners in the case of a combined general health district located in more than one county, shall thereupon, in the year preceding that in which such health program will be effective, by vote of two-thirds of all the members of ~~that body~~the board, declare by resolution that the amount of taxes which may be raised within the ten-mill limitation will be insufficient to provide an adequate amount for the necessary requirements of such district within the county, and

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that it is necessary to levy a tax in excess of such limitation in 53094
order to provide the board of health with sufficient funds to 53095
carry out such health program. ~~Such~~The resolution shall be filed 53096
with the board of elections or, in the case of a combined general 53097
health district located in more than one county, with each board 53098
of elections, not later than four p.m. of the ninetieth day before 53099
the day of election. 53100

~~Such~~The resolution shall specify the amount of increase in 53101
rate which it is necessary to levy and the number of years during 53102
which such increase shall be in effect, which shall not be for a 53103
longer period than ten years. 53104

The resolution shall conform to section 5705.191 of the 53105
Revised Code and be certified and submitted in the manner provided 53106
in section 5705.25 of the Revised Code, provided that the proposal 53107
shall be placed on the ballot at the next primary or general 53108
election occurring more than ninety days after the resolution is 53109
filed with the board of elections. 53110