

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: Am. Sub. H.B. 581 DATE: May 22, 1998
STATUS: As Passed by the House SPONSOR: Rep. Batchelder
LOCAL IMPACT STATEMENT REQUIRED: No — Permissive
CONTENTS: Allows the Board of Health of a city or general health district to own property.

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1998	FY 1999	FUTURE YEARS
Boards of Health			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Potential increase for boards that acquire real property	Potential increase for boards that acquire real property
Other Local Governments			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	- 0 -	Potential decrease if not required to furnish space to a board of health	Potential decrease if not required to furnish space to a board of health

- A board of health of a city or general health district or a combined board of health will be allowed to purchase property. Currently, facilities for a city or general health district board are provided by the board of county commissioners. In Ohio, there are 142 city or general health districts.
- The bill does not require that boards of health own property, it only gives them the option to purchase if they choose to do so.
- The Board of County Commissioners or the legislative authority of any city is exempted from its requirement under section 3709.34 of the Revised Code to furnish suitable quarters for boards of health if the board of health in question purchases real property.
- Securities issued by a county under this bill for the acquisition of real property by a general health district shall not be considered when calculating the net indebtedness of a county.
- If the county issues securities for the general health district, the health district must agree to pay the county an amount equal to the debt charges on the issued securities on or before the date those charges fall due.



Detailed Fiscal Analysis

Under current Ohio law, a board of health of a city or general health district does not have the authority to own property. The board of county commissioners or the legislative authority of any city is responsible for furnishing suitable quarters for boards of health in city or general health districts. In addition to the actual facility, the county commissioners are responsible for paying for other expenses, like utilities.

This bill would allow the local health boards to own property. Boards that choose this option would be responsible for providing for all associated expenses, including utilities. In Muskingum County, for example, utilities and rent total around \$165,000 per year. According to the Association of Ohio Health Commissioners, this bill wouldn't adversely affect local health districts since only those with the financial resources to purchase property would do so. For these boards of health, the county or municipal governmental would be released from the responsibility of providing suitable quarters.

In order to purchase real property, the Board of County Commissioners would be allowed to issue securities pursuant to Chapter 133. of the Revised Code. These securities would not be considered when calculating a county's net indebtedness. Before issuing securities, a county would be required to sign a contract with the general health district in which the health district agrees to pay the county an amount equal to the debt charges on the issued securities on or before the date those charges fall due.

According to section 133.01 of the Revised Code, debt charges are the principal, including any mandatory sinking fund deposits and mandatory redemption payments, interest, and any redemption premium, payable on securities as those payments come due and are payable. The use of debt charges for this purpose does not imply that any particular securities constitute debt within the meaning of the Ohio Constitution or other laws.

Securities are bonds, notes, certificates of indebtedness, commercial paper, and other instruments in writing, including, unless the context does not admit, anticipatory securities, issued by an issuer to evidence its obligation to repay money borrowed, or to pay interest, by, or to pay at any future times other money obligation of, the issuer of the securities, but not including public obligations described in section 133.01(GG)(2) of the Revised Code.

□ *LBO staff: Jeffrey M. Rosa, Budget/Policy Analyst*

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