

# Legislative Update: SB05-059

For the Health District of Northern Larimer County Board of Directors

March 30, 2005

**Bill Title:** Concerning the authority of local governments to provide mental health care services to persons residing in the community

**Sponsors:** Senate: Keller; House: Hefley

**Committees:** Senate HHS

**History:** Passed House Finance 3/23

**Prepared by:** Katherine Young

## Overview

SB05-059 authorizes the creation of a mental health care service district to provide mental health care services to residents of the district who are in need of mental health services and do not otherwise qualify for state and/or federally funded mental health care programs. Mental health care services are defined broadly enough in SB05-059 to include substance abuse treatment as a potential service provided within mental health care special districts. Districts must be organized in accordance with the Special District Act, and may include all of a territory of one or more counties. Plans are to be presented to the Board of County Commissioners; it is required that a petition signed by the lesser of 30% or 200 eligible electors within the proposed district be filed with the relevant district court, along with an estimate of tax revenues for the first budget year. Voter approval is then required to create the district in addition to levying a sales tax or a property tax within the district in order to accrue necessary funds. Only a uniform sales tax of 0.25 percent on every transaction or incident is allowable. The county tax for mental health care would be exempt from the 6.91% county sales tax limitation. Districts may also levy a property tax to fund services. Any revenues generated would be in addition to any state funding that counties in the district would otherwise receive.

## Why is this issue important to the Health District?

Access to mental health and substance abuse treatment is a key component of the Community Mental Health and Substance Abuse Partnership and is a critical component of Health District's mission to improve access to healthcare. As well, funding for mental health care and substance abuse treatment is a stated priority for the Partnership's policy and legislation subcommittee.

### SUMMATION OF ARGUMENTS: SB05-059

ARGUMENTS FOR:	ARGUMENTS AGAINST:
<ul style="list-style-type: none"><li>• Mental health and substance abuse systems have been under-funded for many years. If localities decide that they need these services, the creation of new mental health care special districts would provide much needed services to local citizens who would otherwise not receive assistance.</li><li>• Creation of mental health care special districts is not mandated by the state, but decided locally.</li><li>• Plan design and service provision would be decided locally.</li><li>• The ability to place the issue of mental health care special districts on the local ballot opens dialogue on the subject of mental health and substance abuse services that otherwise might not occur.</li><li>• Funding preventative measures, via community-based services, can help to avoid hospital costs, societal costs (loss of productivity, homelessness, etc.), and costs to other governmental systems (criminal justice, human services, etc.)</li></ul>	<ul style="list-style-type: none"><li>• Funding for mental health (and substance abuse) services in Colorado is compartmentalized, and the creation of a special mental health district could further compartmentalize funding.</li><li>• Creating an additional funding stream without careful and coordinated assessment of need could further disjoint the system.</li><li>• This legislation may not be entirely needed. For example, current law (27-1-207 CRS) allows for the provision of mental health care services through political subdivisions with an additional mill levy.</li></ul>
ARGUMENTS FOR SUPPLEMENTAL FUNDING:	ARGUMENTS AGAINST SUPPLEMENTAL FUNDING:
<ul style="list-style-type: none"><li>• State funding for mental health and substance abuse has been reduced 30%.</li><li>• Adding "supplanting" rather than "supplementing" language would be likely to encourage more cuts to state funding for mental health and substance abuse.</li><li>• Without this protective language, there is no incentive for localities to create mental health care special districts.</li></ul>	<ul style="list-style-type: none"><li>• If SB05-59 truly seeks to foster local control of mental health care service provision, state-level funding streams should be removed from these districts as they accrue adequate local revenue to support these services.</li></ul>

**Board Position:**

On February 22, 2005, the Board of Directors for the Health District of Northern Larimer County determined that clarification was needed on the funding mechanisms for mental health care special districts under SB05-059 and directed staff to continue analyzing the bill. On March 23, 2005 staff contacted the Board president for a position on SB05-059 and the Board president determined the Board position to be one of support. The Board confirmed the support position on March 30, 2005.

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**About this Update**

This update was prepared by Health District of Northern Larimer County staff to assist the Health District Board of Directors in determining whether to take an official stand on various health-related issues. Updates are based on bills or issues at the time of their consideration by the Board and are accurate to the best of staff knowledge. It is suggested that people check to see whether a bill has changed during the course of a legislative session by visiting the Colorado General Assembly web page at [www.state.co.us/gov\\_dir/stateleg.html](http://www.state.co.us/gov_dir/stateleg.html). To see whether the Health District Board of Directors took a position on this or other policy issues, please visit [www.healthdistrict.org/policy](http://www.healthdistrict.org/policy).

**About the Health District**

The Health District is a special district of the northern two-thirds of Larimer County, Colorado, supported by local property tax dollars and governed by a publicly elected five-member board. The Health District provides medical, mental health, dental, preventive and health planning services to the communities it serves. Their mission is to improve the health of the community.

For more information about this analysis or the Health District, please contact Katherine Young, at [kyoung@healthdistrict.org](mailto:kyoung@healthdistrict.org), or (970) 224-5209.