



Ohio Revised Code

Section 5119.421 Replacement facility projects.

Effective: September 30, 2025

Legislation: House Bill 96

(A) This section applies to a board of alcohol, drug addiction, and mental health services, another governmental entity, or a private, nonprofit organization that received a grant or reimbursement under section 5119.42 of the Revised Code for a facility on which the department of behavioral health holds a security interest.

(B) A board of alcohol, drug addiction, and mental health services, another governmental entity, or a private, nonprofit organization to which this section applies may apply to the director of behavioral health for approval to sell its facility and acquire, construct, or renovate a replacement facility pursuant to this section. The director shall prescribe the form of the application. Before submitting an application to the director, a governmental entity or private, nonprofit organization must obtain approval of the application from the board of alcohol, drug addiction, and mental health services with jurisdiction over the service district in which the existing facility is located. The director shall approve an application for a replacement project upon determining that the project provides for the continuation of appropriate mental health and addiction services to the population served by the board, entity, or organization.

(C) A board, entity, or organization that obtains approval for a project under division (B) of this section shall pay the proceeds of the sale of its facility to the director of behavioral health. The director shall deposit the proceeds to the credit of the community capital replacement facilities fund.

(D) When a board, entity, or organization that has sold its facility notifies the director of behavioral health that it is ready to acquire, construct, or renovate a replacement facility, the director shall do one of the following:

(1) If the replacement facility is located in the same alcohol, drug addiction, and mental health service district as the original facility, and if the purposes for which the replacement facility will be used are the same as or similar to those for the original facility, the director shall pay to the board, entity, or organization from the community capital replacement facilities fund an amount equal to the



lesser of an amount equal to the proceeds of the sale of the original facility or the amount of the state's agreed-upon participation (as a per cent of the total cost) in the cost of the replacement facility. If the amount of the state's agreed-upon participation in the cost of the replacement facility is less than the value of the state's security interest in the original facility, the difference between the state's agreed-upon participation in the cost of the replacement facility and the value of the state's security interest in the original facility shall be retained in the community capital replacement facilities fund, and any excess proceeds shall be paid to the board, entity, or organization.

(2) If the replacement facility is located in a different alcohol, drug addiction, and mental health service district than the original facility, or if the purposes for which the replacement facility will be used are not the same as or similar to those for the original facility, the director shall request controlling board approval for release of funds for the project. If the controlling board so approves, the director shall pay to the board, entity, or organization from the community capital replacement facilities fund the lesser of an amount equal to the proceeds of the sale of the original facility or the amount of the state's agreed-upon participation (as a per cent of the total cost) in the cost of the replacement facility. If the amount of the state's agreed-upon participation in the cost of the replacement facility is less than the value of the state's security interest in the original facility, the difference between the state's agreed-upon participation in the cost of the replacement facility and the value of the state's security interest in the original facility shall be retained in the community capital replacement facilities fund, and any excess proceeds shall be paid to the board, entity, or organization.

(E) The director of behavioral health and a board, entity, or organization shall enter into an agreement specifying the terms of any payment made to the board, entity, or organization under division (D) of this section. The terms may include provision for the department of behavioral health to hold a security interest in the facility.

(F)(1) When approving an application under division (B) of this section, the director of behavioral health services shall establish a deadline by which the board, entity, or organization must notify the director that it is ready to acquire, construct, or renovate a replacement facility. If the board, entity, or organization does not notify the director on or before the deadline, the director may cancel the project. Upon canceling the project, the director shall pay to the board, entity, or organization from the community capital replacement facilities fund an amount equal to the portion of the proceeds of



the sale of the original facility that exceeds the value of the state's security interest in the facility.

(2) Notwithstanding the deadline established under division (F)(1) of this section, if at any time a board, entity, or organization notifies the director that it does not intend to acquire, construct, or renovate a replacement facility under this section, the director shall cancel the replacement project and pay to the board, entity, or organization from the community capital replacement facilities fund an amount equal to the portion of the proceeds of the sale of the original facility that exceeds the value of the state's security interest in the facility.

(G) If a replacement project is canceled after the sale of the original facility, the director of behavioral health shall use funds equal to the value of the state's security interest in the original facility for additional grants or reimbursements under section 5119.42 of the Revised Code. The director shall obtain the approval of the controlling board before releasing the additional grants or reimbursements.

(H) The community capital replacement facilities fund is hereby created in the state treasury. The director of behavioral health shall use the fund for the purposes of this section.