

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 24 (Delegate Holt)

Environmental Matters

Community Care Centers - Narcotic Treatment Programs - Certification

This bill provides that the Department of Health and Mental Hygiene (DHMH) may not issue a certificate to a substance abuse treatment provider that offers a “narcotic treatment program” in a “community care center”, if the center is located in a jurisdiction whose zoning regulations do not permit operation of a narcotic treatment program.

Fiscal Summary

State Effect: No impact on DHMH’s certificate issuance procedure, since the bill codifies existing practice. Potential indeterminate decrease in general and federal fund community grant expenditures for substance abuse treatment, depending on the bill’s interpretation and on local zoning actions.

Local Effect: None.

Small Business Effect: Potential meaningful.

Fiscal Analysis

Background: DHMH’s Alcohol and Drug Abuse Administration (ADAA) does not issue a certificate to operate a substance abuse treatment program unless local zoning approval has been obtained by a substance abuse treatment provider (COMAR 10.47.01.04 - Certification Requirements). Moreover, COMAR 10.47.01.07 authorizes ADAA to deny any initial or renewal application or revoke any existing certification upon a determination that a program is in violation of any regulation pertaining to the certification of a substance abuse program.

State Expenditures: It is not clear whether the bill’s intent is to (1) prohibit DHMH from issuing a certificate to a substance abuse treatment program unless the local zoning laws do

not prohibit operation of a narcotic treatment program; or (2) prohibit DHMH from issuing a certificate unless the local zoning laws expressly permit operation of a narcotic treatment program. Narcotic treatment programs are not prohibited nor expressly permitted in any local jurisdiction's zoning laws; they are considered to be permitted by default. Under either interpretation there would be no impact on DHMH's certificate issuance procedures, since the bill codifies current practice.

Under the first interpretation, certificates could continue to be issued to new narcotic treatment programs. However, if a local jurisdiction changed its zoning laws to prohibit narcotic treatment programs, or to restrict narcotic treatment programs to specific areas, DHMH would not be able to issue a certificate to a new narcotic treatment program which violated local zoning laws and would have to revoke the certificate of an existing narcotic treatment program which violated local zoning laws. Under the second interpretation, certificates could not be issued to new narcotic treatment programs and DHMH would have to revoke the certification of existing narcotic treatment programs, unless a local jurisdiction changed its zoning laws to expressly permit narcotic treatment programs.

Since 19 of the 32 narcotic treatment programs in Maryland receive ADA grant funds, State expenditures and revenues could potentially decrease by an indeterminate amount to the extent that existing narcotic treatment programs were not able to operate. State funds formerly received by a narcotic treatment program would be available to fund another type of substance abuse program, but only if any programs had the capacity to add new slots.

Small Business Effect: There are currently 32 narcotic treatment programs in Maryland offered by private non-profit providers, private for-profit providers, and local health departments. Small business providers could be adversely affected by the bill's provisions, depending on the bill's interpretation and local jurisdiction zoning laws.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

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