

# STATE OF NEW YORK

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898--A

Cal. No. 247

2017-2018 Regular Sessions

## IN SENATE

January 5, 2017

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Introduced by Sens. AMEDORE, AKSHAR, FUNKE, HELMING, MURPHY, O'MARA, ORTT, PHILLIPS, RANZENHOFER, RITCHIE -- read twice and ordered printed, and when printed to be committed to the Committee on Alcoholism and Drug Abuse -- recommitted to the Committee on Alcoholism and Drug Abuse in accordance with Senate Rule 6, sec. 8 -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the mental hygiene law, in relation to authorizing the office of alcoholism and substance abuse services to provide funding to substance use disorder and/or compulsive gambling programs operated by for profit agencies

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 25.01 of the mental hygiene law, as added by chap-  
2 ter 471 of the laws of 1980, paragraphs 1, 2, 3 and 4 as amended and  
3 paragraphs 5, 6, 7 and 8 of subdivision (a) as added by section 3 of  
4 part G of chapter 56 of the laws of 2013, is amended to read as follows:  
5 § 25.01 Definitions.  
6 [~~(a)~~] As used [~~herein~~] in this article:  
7 [~~1-~~] (a) "Local governmental unit" shall have the same meaning as that  
8 contained in article forty-one of this chapter.  
9 [~~2-~~] (b) "Operating expenses" shall mean expenditures approved by the  
10 office and incurred for the maintenance and operation of substance use  
11 disorder and/or compulsive gambling programs, including but not limited  
12 to expenditures for treatment, administration, personnel, and contractu-  
13 al services. Operating expenses do not include capital costs and debt  
14 service unless such expenses are expenditures submitted by a voluntary  
15 agency or local government unit and are related to the rent, financing  
16 or refinancing of the design, construction, acquisition, reconstruction,  
17 rehabilitation or improvement of a substance use disorder and/or compul-

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [~~-~~] is old law to be omitted.

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1 sive gambling program facility pursuant to the mental hygiene facilities  
2 finance program through the dormitory authority of the state of New York  
3 (DASNY; successor to the Facilities Development Corporation), or other-  
4 wise approved by the office.

5 ~~[3-]~~ (c) "Debt service" shall mean amounts, subject to the approval of  
6 the office, required to be paid to amortize obligations including prin-  
7 cipal and interest, assumed by or on behalf of a voluntary agency or a  
8 program operated by a local governmental unit.

9 ~~[4-]~~ (d) "Capital costs" shall mean the costs of a program operated by  
10 a local governmental unit ~~[or]~~, a voluntary agency, or other business  
11 entity with respect to the acquisition of real property estates, inter-  
12 ests, and cooperative interests in realty, their design, construction,  
13 reconstruction, rehabilitation and improvement, original furnishings and  
14 equipment, site development, and appurtenances of a facility.

15 ~~[5-]~~ (e) "State aid" shall mean financial support provided through  
16 appropriations of the office to support the provision of substance use  
17 disorder treatment, compulsive gambling, prevention or other authorized  
18 services, with the exclusion of appropriations for the purpose of  
19 medical assistance.

20 ~~[6-]~~ (f) "Voluntary agency contributions" shall mean revenue sources  
21 of voluntary agencies exclusive of state aid and local tax levy.

22 ~~[7-]~~ (g) "Approved net operating cost" shall mean the remainder of  
23 total operating expenses approved by the office, less all sources of  
24 revenue, including voluntary agency contributions and local tax levy.

25 ~~[8-]~~ (h) "Voluntary agency" shall mean a corporation organized or  
26 existing pursuant to the not-for-profit corporation law for the purpose  
27 of providing substance use disorder, treatment, compulsive gambling,  
28 prevention or other authorized services.

29 (i) "Other business entity" shall mean any corporation, association,  
30 partnership, limited liability company, limited liability partnership,  
31 or other legal entity, that is not also a voluntary agency, and provide  
32 substance use disorder treatment, compulsive gambling, prevention, or  
33 other authorized services.

34 § 2. Subdivision (a) of section 25.03 of the mental hygiene law, as  
35 amended by section 4 of part G of chapter 56 of the laws of 2013, is  
36 amended to read as follows:

37 (a) In accordance with the provisions of this article, and within  
38 appropriations made available, the office may provide state aid to a  
39 program operated by a local governmental unit or voluntary agency up to  
40 one hundred per centum of the approved net operating costs of such  
41 program operated by a local governmental unit or voluntary agency, and  
42 state aid may also be granted to a program operated by a local govern-  
43 mental unit ~~[or]~~, a voluntary agency, or other business entity for capi-  
44 tal costs associated with the provision of services at a rate of up to  
45 one hundred percent of approved capital costs. Such state aid shall not  
46 be granted unless and until such program operated by a local govern-  
47 mental unit ~~[or]~~, voluntary agency, or other business entity is in  
48 compliance with all regulations promulgated by the commissioner regard-  
49 ing the financing of capital projects. Such state aid for approved net  
50 operating costs shall be made available by way of advance or reimburse-  
51 ment, through either contracts entered into between the office and such  
52 voluntary agency or by distribution of such state aid to local govern-  
53 mental units through a grant process pursuant to section 25.11 of this  
54 article.

1 § 3. Section 25.05 of the mental hygiene law, as amended by section 5  
2 of part G of chapter 56 of the laws of 2013, is amended to read as  
3 follows:

4 § 25.05 Reimbursement from other sources.

5 The office shall not provide a voluntary agency ~~[or]~~, a program oper-  
6 ated by a local governmental unit, or other business entity with finan-  
7 cial support for obligations incurred by or on behalf of such program or  
8 agency for substance use disorder and/or compulsive gambling services  
9 for which reimbursement is or may be claimed under any provision of law  
10 other than this article.

11 § 4. Section 25.07 of the mental hygiene law, as amended by section 7  
12 of part G of chapter 56 of the laws of 2013, is amended to read as  
13 follows:

14 § 25.07 Non-substitution.

15 A voluntary agency ~~[or]~~, a program operated by a local governmental  
16 unit, or other business entity shall not substitute state monies for  
17 cash contributions, federal aid otherwise committed to or intended for  
18 use in such program or by such agency, revenues derived from the opera-  
19 tion of such program or agency, or the other resources available for use  
20 in the operation of the program or agency.

21 § 5. Section 25.09 of the mental hygiene law, as amended by section 8  
22 of part G of chapter 56 of the laws of 2013, is amended to read as  
23 follows:

24 § 25.09 Administrative costs.

25 Subject to the approval of the director of the budget, the office  
26 shall establish a limit on the amount of financial support which may be  
27 advanced or reimbursed to a voluntary agency ~~[or]~~, a program operated by  
28 a local governmental unit, or other business entity for the adminis-  
29 tration of a program.

30 § 6. This act shall take effect immediately.