§ 143C-9-1. Medicaid Special Fund; transfers to Department of Health and Human Services.

(a) The Medicaid Special Fund is established as a nonreverting special fund in the Department of Health and Human Services. The Medicaid Special Fund shall consist of the federal Medicaid disproportionate share monies remaining after payments are made to hospitals. Annually, the Department shall transfer the disproportionate share gain, after payments are made to hospitals, to the Medicaid Special Fund. Funds deposited to the Medicaid Special Fund shall only be available for expenditure upon an act of appropriation of the General Assembly.

Political subdivisions may appropriate funds directly to the Department of Health and Human Services for Medicaid programs. Other public agencies and private sources may transfer funds to the Department for Medicaid programs. The Department may accept unconditional and unrestricted donations of such funds. Notwithstanding the provisions of this Article which might forbid such transfer or donation, the University of North Carolina Hospitals at Chapel Hill may transfer funds as provided by the previous sentence of this section.

(b) Contributed funds shall be subject to the Department of Health and Human Services administrative control and shall be allocated only as specifically provided in the Current Operations Appropriations Act, except such contributions shall not reduce State general revenue funding. At the end of any fiscal year, the unobligated balance of any such funds shall not revert to the General Fund, but shall be reappropriated for these purposes in the next fiscal year.

(2006-203, s. 3; 2007-117, s. 7.)


(a) The Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs is established as an interest-bearing, nonreverting special trust fund in the Office of State Budget and Management. Moneys in the Trust Fund shall be held in trust and used solely to increase community-based services that meet the mental health, developmental disabilities, and substance abuse services needs of the State. The Trust Fund shall be used to supplement and not to supplant or replace existing State and local funding available to meet the mental health, developmental disabilities, and substance abuse services needs of the State.

The State Treasurer shall hold the Trust Fund separate and apart from all other moneys, funds, and accounts. The State Treasurer shall be the custodian of the Trust Fund and shall invest its assets in accordance with G.S. 147-69.2 and G.S. 147-69.3. Investment earnings credited to the assets of the Trust Fund shall become part of the Trust Fund. Any balance remaining in the Trust Fund at the end of any fiscal year shall be carried forward in the Trust Fund for the next succeeding fiscal year.

Moneys in the Trust Fund shall be expended only in accordance with subsection (b) of this section and in accordance with limitations and directions enacted by the General Assembly.
(b) Moneys in the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs shall be allocated to area programs to be used only to:

1. Provide start-up funds and operating support for programs and services that provide more appropriate and cost-effective community treatment alternatives for individuals currently residing in the State's mental health, developmental disabilities, and substance abuse services institutions.

2. Repealed by Session Laws 2007-323, s. 10.49(w1), effective July 1, 2007.

3. Facilitate reform of the mental health, developmental disabilities, and substance abuse services system and expand and enhance treatment and prevention services in these program areas to remove waiting lists and provide appropriate and safe services for clients.

4. Provide bridge funding to maintain appropriate client services during transitional periods as a result of facility closings, including departmental restructuring of services.

(b1) The Dorothea Dix Hospital Property Fund is established as a separate fund within the Trust Fund. The Fund is established to receive the net proceeds from the sale of the Dorothea Dix Hospital property. Moneys in the Dorothea Dix Hospital Property Fund shall be allocated or expended only upon an act of appropriation by the General Assembly and shall not be subject to the limitations of the moneys in the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs as described in subsection (b) of this section.

(c) Notwithstanding G.S. 143C-1-2, any nonrecurring savings in State appropriations realized from the closure of any State psychiatric hospitals that are in excess of the cost of operating and maintaining a new State psychiatric hospital shall not revert to the General Fund but shall be placed in the Trust Fund and shall be used for the purposes authorized in this section. Notwithstanding G.S. 143C-1-2, recurring savings realized from the closure of any State psychiatric hospitals shall not revert to the General Fund but shall be credited to the Department of Health and Human Services to be used only for the purposes of subsections (b)(1) and (b)(3) of this section.

(d) Beginning July 1, 2007, the Secretary of the Department of Health and Human Services shall report annually to the Fiscal Research Division on the expenditures made during the preceding fiscal year from the Trust Fund. The report shall identify each expenditure by recipient and purpose and shall indicate the authority under subsection (b) of this section for the expenditure. (2006-203, s. 3; 2007-323, s. 10.49(w1); 2015-241, s. 12F.7(b).)


(a) The "Settlement Reserve Fund" is established as a special fund to receive proceeds from tobacco litigation settlement agreements or final orders or judgments of a court in litigation between tobacco companies and the states.
Each year, the sum of seventeen million five hundred thousand dollars ($17,500,000) from the Settlement Reserve Fund is appropriated to The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation, and these funds shall not be subject to G.S. 143C-6-23. The remainder of the funds credited to the Settlement Reserve Fund each fiscal year shall be transferred to the General Fund and included in General Fund availability as nontax revenue.

(b), (c) Repealed by Session Laws 2011-145, s. 6.11(i), effective July 1, 2011.
(d) Unless prohibited by federal law, federal funds provided to the State by block grant or otherwise as part of federal legislation implementing a settlement between United States tobacco companies and the states shall be credited to the Settlement Reserve Fund. Unless otherwise encumbered or distributed under a settlement agreement or final order or judgment of the court, funds paid to the State or a State agency pursuant to a tobacco litigation settlement agreement, or a final order or judgment of a court in litigation between tobacco companies and the states, shall be credited to the Settlement Reserve Fund.

§ 143C-9-4. Biennial fee report.
(a) The Office of State Budget and Management shall prepare a report biennially on the fees charged by each State department, bureau, division, board, commission, institution, and agency during the previous two fiscal years. The report shall include the statutory or regulatory authority for each fee, the amount of the fee, when the amount of the fee was last changed, the number of times the fee was collected during the prior fiscal year, and the total receipts from the fee during the prior fiscal year.
(b) The provisions of subsection (a) of this section shall not apply to The University of North Carolina.

§ 143C-9-5. Assignment to the State of rights to tobacco manufacturer escrow funds.
A tobacco product manufacturer that elects to place funds into escrow pursuant to G.S. 66-291(a)(2) may make an assignment of its interest in the funds to the benefit of the State. The assignment applies to all funds, and any earnings and appreciation, that are in the escrow account at the time of the assignment or are subsequently deposited into the escrow account and are not released under the provisions of subdivision (1) or (2) of G.S. 66-291(b) at any time on or before the expiration of 10 years from the date of assignment. The assignment is irrevocable and shall include any reversionary interest in the escrow account and the funds therein that would otherwise belong to the tobacco manufacturer, including the right to receive the escrowed funds pursuant to G.S. 66-291(b)(3).

An assignment of rights executed pursuant to this section shall be in writing and shall be signed by a duly authorized representative of the tobacco product manufacturer making the assignment. An assignment is effective upon delivery to the Attorney General and the financial institution where the escrow account is maintained.
§ 143C-9-6: Repealed by Session Laws 2016-94, s. 15.2(e), effective July 1, 2016.

§ 143C-9-7. Indian Gaming Education Revenue Fund.
   (a) The "Indian Gaming Education Revenue Fund" is established in the State Treasury. Funds shall be expended from the Indian Gaming Education Revenue Fund only by specific appropriation by the General Assembly.
   (b) Upon appropriation by the General Assembly, funds received in the Indian Gaming Education Revenue Fund shall be allocated quarterly by the State Board of Education to local school administrative units, charter schools, and regional schools on the basis of allotted average daily membership. The funds allotted by the State Board of Education pursuant to this section shall be nonreverting. Funds received pursuant to this section by local school administrative units shall be expended for classroom teachers, teacher assistants, classroom materials or supplies, or textbooks. (2012-6, s. 1; 2013-360, s. 6.12(r).)

§ 143C-9-8: Repealed by Session Laws 2016-94, s. 15.2(e), effective July 1, 2016.

§ 143C-9-9. Hospital Uncompensated Care Fund.
   (a) Creation. – The Hospital Uncompensated Care Fund is established as a nonreverting special fund in the Department of Health and Human Services.
   (b) Source of Funds. – The Hospital Uncompensated Care Fund shall consist of federal disproportionate share adjustment receipts arising from certified public expenditures.
   (c) Utilization of Funds. – The Department of Health and Human Services is authorized to utilize funds in the Hospital Uncompensated Care Fund to make the following payments, provided the entity receiving the payment has been determined to be an eligible entity in accordance with subsection (d) of this section:
      (1) Payments to institutions for mental diseases, as defined in 42 C.F.R. § 435.1010.
      (2) Payments to hospitals to reimburse inpatient services uncompensated care costs or outpatient services uncompensated care costs, or both.
   (d) Eligibility and Fund Allocations. – The Department of Health and Human Services shall adopt rules for determining eligibility for, and allocations of, Hospital Uncompensated Care Fund payments. (2020-88, s. 17.)