

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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SENATE BILL 1459

Short Title: MH/DD/SAS Trust Fund.

(Public)

Sponsors: Senator Metcalf.

Referred to: Finance.

June 18, 2002

A BILL TO BE ENTITLED
AN ACT TO PROVIDE A PERMANENT SOURCE OF REVENUE FOR MENTAL
HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE
SERVICES AND BRIDGE FUNDING NEEDS.

Whereas, North Carolina has been long recognized as a leader in providing services to citizens with mental illness, developmental disabilities, and addictive behavioral disorders; and

Whereas, North Carolina not only has a moral obligation, but also in many situations a legal duty, to provide safe and appropriate treatment for citizens suffering from mental illness, developmental disabilities, and substance abuse disorders, so that the burden of caring for those who can least care for themselves does not fall fully on their families, many of whom cannot do so without the State's assistance; and

Whereas, one in every four households in North Carolina has a family member who suffers from a mental or emotional illness; and

Whereas, over 100,000 adults in North Carolina suffer from long-term mental illnesses, and over 90,000 children in North Carolina suffer from serious emotional disorders; and

Whereas, more than 751,000 North Carolinians will suffer from an addictive disorder during their lives, affecting more than 3,759,000 people, family members, employers, friends, and innocent victims as a result of their addictions; and

Whereas, alcohol and other drug addictions and abuses cost North Carolina more than \$8,260,000,000 per year; and

Whereas, there is a strong link between substance abuse and mental illness as evidenced by the fact that in 1999 more than 50,000 North Carolinians were dually diagnosed with substance addiction and mental illness; and

Whereas, the children of substance abusers are three times as likely to be substance abusers themselves, are twice as likely to be admitted for mental disorders, and have a rate of total health care costs that is 32% greater than children from nonsubstance abusing families; and

1 Whereas, over 118,000 children and adults with developmental disabilities
2 live in North Carolina communities, and over 7,920 of them are on waiting lists for
3 essential services; and

4 Whereas, the current estimated cost of unmet needs within mental health,
5 developmental disabilities, and substance abuse services programs exceeds
6 \$736,000,000; and

7 Whereas, our State can no longer afford to house clients in overcrowded,
8 expensive, outdated, and unsafe facilities; to impose additional costs on our public
9 schools, criminal justice system, local governments, public hospitals, and communities
10 at large by continuing to shift the burden of treatment; and to ignore the needs of our
11 State's most vulnerable adults and children who are least able to care for themselves;
12 and

13 Whereas, in 2001 the General Assembly expressed its intent to address the
14 critical needs of our State's adults and children who suffer from mental illness,
15 developmental disabilities, and substance abuse disorders by creating a dedicated trust
16 fund through which our State can ensure that safe and appropriate treatment services
17 will be provided; and

18 Whereas, most of the balance in the trust fund was redirected to help balance
19 the budget for the 2001-2002 fiscal year; Now, therefore,
20 The General Assembly of North Carolina enacts:

21 **SECTION 1.(a)** Part 4 of Article 2C of Chapter 105 of the General Statutes
22 is amended by adding a new section to read:

23 "**§ 105-113.80A. Surtax on beer and wine.**

24 (a) Surtax. – In addition to the excise taxes on beer and wine imposed in G.S.
25 105-113.80, every taxpayer required to file a return for those taxes under this Article
26 must pay the surtax levied by this section. The surtax is due at the time prescribed for
27 paying the excise taxes under this Article. The amount of the surtax is as follows:

28 (1) Beer. – An additional excise tax of thirty-one cents (31¢) per gallon is
29 levied on the sale of malt beverages.

30 (2) Wine. – An additional excise tax of fifteen cents (15¢) per liter is
31 levied on the sale of unfortified wine, and an additional excise tax of
32 fifteen cents (15¢) per liter is levied on the sale of fortified wine.

33 (b) Distribution. – The surtax levied by this section is not subject to the
34 distribution under G.S. 105-113.81A or G.S. 105-113.82. The Secretary must credit the
35 proceeds of the surtax levied by this section quarterly to the Trust Fund for Mental
36 Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding
37 Needs in the Office of State Budget and Management."

38 **SECTION 1.(b)** In order to pay for its costs of postage, printing, and
39 computer programming to implement this section, the Department of Revenue may
40 withhold not more than seventy-five thousand dollars (\$75,000) from collections under
41 this section during the 2002-2003 fiscal year.

42 **SECTION 1.(c)** Notwithstanding the provisions of G.S. 105-113.80A(b), as
43 enacted by this act, during the 2002-2003 fiscal year, the Secretary of Revenue must
44 credit the proceeds of the surtax levied by G.S. 105-113.80A to the General Fund. It is

1 the intent of the General Assembly that these funds shall be used only for mental health,
2 developmental disabilities, and substance abuse services.

3 **SECTION 1.(d)** This section becomes effective August 1, 2002.
4 Notwithstanding G.S. 105-113.83, the payment of the surtax imposed by this section for
5 August 2002 is due when the taxpayer remits the excise tax under G.S. 105-113.80 for
6 September 2002.

7 **SECTION 2.** This act is effective when it becomes law.