

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 1044
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10594-MLa-179

Short Title: Justice in Mental Health Act.

(Public)

Sponsors: Representative Price.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO BUILD ADDITIONAL CAPACITY IN STATE PSYCHIATRIC HOSPITALS,
3 TO ESTABLISH REHABILITATIVE DISPOSITION AND COMMUNITY SAFETY
4 PROGRAMS, TO INCREASE THE LIMIT ON SAFEKEEPER BEDS AND
5 APPROPRIATE FUNDS TO USE FOR COSTS RELATED TO THE ADDITIONAL
6 SAFEKEEPER BEDS, AND TO APPROPRIATE FUNDS FOR GUIDANCE FOR
7 JUDGES ON IDENTIFYING BEHAVIORAL HEALTH RISKS AMONG
8 COURT-INVOLVED INDIVIDUALS.

9 Whereas, the General Assembly finds that timely access to appropriate behavioral
10 health evaluation, stabilization, and treatment is essential to protecting public safety and
11 promoting the orderly administration of justice; and

12 Whereas, the General Assembly finds that insufficient capacity in State psychiatric
13 hospitals, workforce shortages, and gaps in community-based treatment services contribute to
14 prolonged detention, delayed case resolution, and avoidable strain on courts, jails, and law
15 enforcement; and

16 Whereas, the General Assembly finds that stronger coordination between courts and
17 behavioral health providers, together with rehabilitation pathways and treatment-oriented
18 interventions, can reduce unnecessary confinement, and improve outcomes for court-involved
19 individuals while preserving public safety and civil liberties; and

20 Whereas, the General Assembly further finds that prolonged waits for behavioral
21 health evaluation and treatment can cause individuals to remain in local confinement for extended
22 periods, exceeding 300 days in some cases, and that even a modest reduction in such wait times
23 can conservatively save counties tens of millions of dollars statewide over time in detention,
24 staffing, transportation, and related costs, thereby reducing upward pressure on property tax
25 payers who fund local public safety operations; Now, therefore,
26 The General Assembly of North Carolina enacts:

27
28 **CLOSING GAPS IN THE MENTAL HEALTH-JUDICIAL NEXUS**

29 **SECTION 1.(a)** By no later than January 1, 2027, the Administrative Office of the
30 Courts (AOC), in coordination with the Department of Health and Human Services, Division of
31 Mental Health, Developmental Disabilities, and Substance Use Services (DMH/DD/SUS), shall
32 develop and disseminate enhanced guidance materials, and develop optional continuing
33 educational modules, for judges, magistrates, clerks, and other court personnel regarding the
34 identification of behavioral health risk indicators among court-involved individuals. These
35 guidance materials shall include all of the following:

- 36 (1) Evidence-informed indicators of escalating behavioral health crises.



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- 1 (2) Risk patterns associated with untreated serious mental illness, substance use
2 disorders, or co-occurring conditions.
- 3 (3) Indicators associated with impaired reality testing, loss of impulse control, or
4 acute psychiatric decompression.
- 5 (4) Appropriate referral pathways for rehabilitative disposition, crisis response,
6 or involuntary commitment where authorized by law.
- 7 (5) Best practices for balancing public safety, civil liberties, and clinical
8 appropriateness.

9 **SECTION 1.(b)** Nothing in subsection (a) of this section shall be construed to alter
10 the evidentiary standards required for involuntary commitment, detention, or criminal
11 adjudication.

12 **SECTION 1.(c)** By no later than January 1, 2027, the AOC and DMH/DD/SUS shall
13 jointly develop a statewide framework to strengthen rehabilitative disposition pathways between
14 district courts, superior courts, and community-based behavioral health providers. The
15 framework shall include all of the following:

- 16 (1) Standardized referral protocols for pretrial rehabilitative disposition into
17 treatment programs.
- 18 (2) Mechanisms for real-time communication between courts and local
19 management entities/managed care organizations (LME/MCOs).
- 20 (3) Expansion of mental health treatment courts where the AOC and
21 DMH/DD/SUS deem it feasible.
- 22 (4) Guidance on coordinating with jail administrators to identify individuals
23 appropriate for rehabilitative disposition.
- 24 (5) Data-sharing agreements consistent with the Health Insurance Portability and
25 Accountability Act of 1996 (HIPAA) and State privacy laws.

26 **SECTION 1.(d)** G.S. 122C-3(11) reads as rewritten:

27 "(11) Dangerous to self or others.

28 ...

- 29 b. Dangerous to others. – Within the relevant past, the individual has
30 inflicted or attempted to inflict or threatened to inflict serious bodily
31 harm on another, or has acted in such a way as to create a substantial
32 risk of serious bodily harm to another, or has engaged in extreme
33 destruction of property; and that there is a reasonable probability that
34 this conduct will be repeated. Previous episodes of dangerousness to
35 others, when applicable, may be considered when determining
36 reasonable probability of future dangerous conduct. In determining
37 whether there is a reasonable probability that conduct creating a
38 substantial risk of serious bodily harm will be repeated, the court may
39 also consider evidence of a pattern of behavior established by
40 competent evidence demonstrating recurring loss of volitional control,
41 including repeated expressions or manifestations that the individual
42 believes they are not in control of their actions, when such behavior,
43 viewed in context, reasonably indicates escalating instability that
44 materially increases the risk of serious bodily harm to another. Clear,
45 cogent, and convincing evidence that an individual has committed a
46 homicide in the relevant past is prima facie evidence of dangerousness
47 to others. Nothing in this sub-subdivision shall be construed to lower
48 the burden of proof required under this Chapter, to authorize a finding
49 of dangerousness based solely on verbal statements absent
50 corroborating evidence, or to diminish any procedural protections
51 otherwise required by law."

1 **SECTION 1.(e)** There is appropriated from the General Fund to the AOC, the sum
2 of five million dollars (\$5,000,000) in nonrecurring funds for the 2026-2027 fiscal year.
3 Beginning in the 2026-2027 fiscal year, there is appropriated from the General Fund to AOC the
4 sum of one million dollars (\$1,000,000) in recurring funds. Funds appropriated in this section
5 shall be used to implement the requirements of this section, including any of the following:

- 6 (1) Development and dissemination of guidance and training materials under
7 subsection (a) of this section.
- 8 (2) Information technology upgrades and secure data-sharing infrastructure
9 necessary to facilitate coordination between courts and behavioral health
10 systems under subsection (c) of this section.
- 11 (3) Establishment or expansion of regional coordination between courts and
12 behavioral health providers under subsection (c) of this section.
- 13 (4) Administrative costs associated with rehabilitative disposition framework
14 implementation under subsection (c) of this section.

15 **SECTION 1.(f)** No later than December 1, 2027, and annually thereafter, the AOC,
16 in cooperation with DMH/DD/SUS, shall provide a report to the Joint Legislative Oversight
17 Committee on Justice and Public Safety, the Joint Legislative Oversight Committee on Health
18 and Human Services, and the Fiscal Research Division on the status of appropriations contained
19 in this section, including (i) expenditures made pursuant to this section, (ii) progress toward
20 implementation of this section, and (iii) measurable outcomes related to rehabilitative
21 disposition, detention reduction, and recidivism. Additionally, no later than December 1, 2027,
22 the AOC, in cooperation with DMH/DD/SUS, shall provide a report to the Joint Legislative
23 Oversight Committee on Justice and Public Safety and the Joint Legislative Oversight Committee
24 on Health and Human Services on the status of the framework developed under subsection (c) of
25 this section, including all of the following:

- 26 (1) The number of court-involved individuals diverted to treatment.
- 27 (2) Changes in pretrial detention rates for individuals with serious mental illness.
- 28 (3) Impacts on recidivism.
- 29 (4) Identified statutory or operational barriers requiring further legislative action.

30 **SECTION 1.(g)** Subsection (d) of this section becomes effective December 1, 2026,
31 and applies to determinations of dangerousness made on or after that date. The remainder of this
32 section becomes effective July 1, 2026.

33 **REHABILITATIVE DISPOSITION AND COMMUNITY SAFETY PROGRAMS**

34 **SECTION 2.** Beginning in the 2026-2027 fiscal year, there is appropriated from the
35 General Fund to DMH/DD/SUS, the sum of two hundred twenty-four million dollars
36 (\$224,000,000) in recurring funds. These funds shall be used to create, expand, or otherwise
37 support, in coordination with AOC, behavioral health treatment capacity and related
38 court-support initiatives intended to (i) increase timely access to appropriate behavioral health
39 evaluation, stabilization, and treatment services, (ii) reduce delays in case processing associated
40 with unmet behavioral health needs, and (iii) improve public safety outcomes, including all of
41 the following:

- 42 (1) Crisis response and clinical stabilization capacity, including mobile crisis
43 services, crisis receiving and observation services, and short-term stabilization
44 services.
- 45 (2) Community-based assessment, treatment, and recovery services, including
46 outpatient services, intensive outpatient services, medication management,
47 peer support, care coordination, and continuity-of-care services.
- 48 (3) Judicially Managed Accountable Recovery Courts (JMARC)s and other
49 court-associated clinical services and continuity supports that facilitate timely
50 evaluation and appropriate treatment engagement, including clinical
51

- 1 evaluation capacity, referral coordination, case management supports, and
2 service navigation supports implemented in collaboration with the courts.
3 (4) Other evidence-based behavioral health initiatives that reduce court delays
4 associated with unmet behavioral health needs and improve public safety
5 outcomes.
6

7 STATE PSYCHIATRIC HOSPITAL BEDS AND STAFFING

8 **SECTION 3.(a)** There is appropriated from the General Fund to the Department of
9 Health and Human Services, Division of Mental Health, Developmental Disabilities, and
10 Substance Use Services (DMH/DD/SUS), the sum of three hundred twenty million four hundred
11 thousand dollars (\$320,400,000) in recurring funds beginning with the 2026-2027 fiscal year to
12 be used for hiring or contracting staff to facilitate the operation of State psychiatric hospitals.

13 **SECTION 3.(b)** There is appropriated from the General Fund to the Office of State
14 Budget and Management (OSBM) the sum of one hundred eighteen million dollars
15 (\$118,000,000) in nonrecurring funds for the 2026-2027 fiscal year to be allocated and used as
16 provided in this subsection. OSBM shall allocate these funds to DMH/DD/SUS to be used to
17 build increased capacity in the State psychiatric hospitals, provided that OSBM shall not transfer
18 these allocated funds to DMH/DD/SUS until DMH/DD/SUS has certified that bed capacity in
19 the State psychiatric hospitals has been filled or is expected to be filled within 90 days. The funds
20 appropriated in this subsection shall not revert but shall remain available until expended.

21 **SECTION 3.(c)** There is appropriated from the General Fund to DMH/DD/SUS the
22 sum of thirty-five million six hundred thousand dollars (\$35,600,000) in recurring funds
23 beginning in the 2026-2027 fiscal year to be used for hiring or contracting staff to facilitate the
24 operation of increased capacity of State psychiatric hospitals built as a result of the funds
25 provided in subsection (b) of this section. If, at the end of each fiscal year, OSBM has not
26 transferred funds under subsection (b) of this section, these funds shall revert.

27 **SECTION 3.(d)** Funds appropriated in subsections (a) and (c) of this section may be
28 used for initiatives that improve workforce stability and retention, including preceptor programs,
29 structured onboarding, staff training, supervisory development, employee assistance supports,
30 and workplace safety improvements, provided that funds shall not be used for bonuses except as
31 part of a retention plan approved by the Department of Health and Human Services.
32

33 INCREASE LIMIT ON SAFEKEEPER BEDS AND PROVIDE ADDITIONAL 34 FUNDING

35 **SECTION 4.(a)** G.S. 162-39(e) reads as rewritten:

36 "(e) The number of county prisoners incarcerated in the State prison system pursuant to
37 safekeeping orders from the various counties pursuant to subsection (b) of this section or for
38 medical or mental health treatment pursuant to subsection (d) of this section may not exceed ~~200~~
39 500 at any given time unless authorized by the Secretary of Adult Correction. The Secretary may
40 refuse to accept any safekeeper and may return any safekeeper transferred under a safekeeping
41 order when this capacity limit is reached. The Secretary shall not refuse to accept a safekeeper
42 because a county has failed to pay the Department of Adult Correction for services rendered
43 pursuant to this section."

44 **SECTION 4.(b)** There is appropriated from the General Fund to the Department of
45 Adult Correction (DAC) the sum of ninety million dollars (\$90,000,000) in nonrecurring funds
46 for the 2026-2027 fiscal year to be used for any nonrecurring costs incurred from implementing
47 the increase of county prisoners incarcerated in the State prison authorized under G.S. 162-39(e),
48 as amended by subsection (a) of this section. Beginning in the 2026-2027 fiscal year, there is
49 appropriated from the General Fund to the DAC the sum of sixteen million dollars (\$16,000,000)
50 in recurring funds to be used for any operational costs or other recurring costs incurred from

1 implementing the increase of county prisoners incarcerated in the State prison authorized under
2 G.S. 162-39(e), as amended by subsection (a) of this section.

3
4 **REPORTS**

5 **SECTION 5.** No later than July 1, 2027, the Department of Health and Human
6 Services, Division of Mental Health, Developmental Disabilities, and Substance Use Services,
7 in coordination with the Administrative Office of the Courts, shall provide a report to the Joint
8 Legislative Oversight Committee on Justice and Public Safety, the Joint Legislative Oversight
9 Committee on Health and Human Services, and the Fiscal Research Division on the status of the
10 appropriations contained in Sections 2 and 3 of this act, including (i) cost-savings to the court
11 system, (ii) reductions in case loads, (iii) reductions in the State's incarcerated population, and
12 (iv) any impacts on recidivism. An updated report shall be provided no later than December 1,
13 2027, and annually thereafter.

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15 **EFFECTIVE DATE**

16 **SECTION 6.** Except as otherwise provided, this act is effective when it becomes
17 law.