

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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HOUSE BILL 1044

Short Title: Justice in Mental Health Act. (Public)

Sponsors: Representatives Price, Belk, Prather, and Morey (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Rules, Calendar, and Operations of the House

April 27, 2026

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

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

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

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

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

CLOSING GAPS IN THE MENTAL HEALTH-JUDICIAL NEXUS

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



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

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

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

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

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

28 "(11) Dangerous to self or others.

29 ...

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

1 corroborating evidence, or to diminish any procedural protections
2 otherwise required by law."

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

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

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

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

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

35 **REHABILITATIVE DISPOSITION AND COMMUNITY SAFETY PROGRAMS**

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

- 44 (1) Crisis response and clinical stabilization capacity, including mobile crisis
45 services, crisis receiving and observation services, and short-term stabilization
46 services.
- 47 (2) Community-based assessment, treatment, and recovery services, including
48 outpatient services, intensive outpatient services, medication management,
49 peer support, care coordination, and continuity-of-care services.
50

- 1 (3) Judicially Managed Accountable Recovery Courts (JMARC)s and other
2 court-associated clinical services and continuity supports that facilitate timely
3 evaluation and appropriate treatment engagement, including clinical
4 evaluation capacity, referral coordination, case management supports, and
5 service navigation supports implemented in collaboration with the courts.
6 (4) Other evidence-based behavioral health initiatives that reduce court delays
7 associated with unmet behavioral health needs and improve public safety
8 outcomes.
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10 STATE PSYCHIATRIC HOSPITAL BEDS AND STAFFING

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

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

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

30 **SECTION 3.(d)** Funds appropriated in subsections (a) and (c) of this section may be
31 used for initiatives that improve workforce stability and retention, including preceptor programs,
32 structured onboarding, staff training, supervisory development, employee assistance supports,
33 and workplace safety improvements, provided that funds shall not be used for bonuses except as
34 part of a retention plan approved by the Department of Health and Human Services.
35

36 INCREASE LIMIT ON SAFEKEEPER BEDS AND PROVIDE ADDITIONAL 37 FUNDING

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

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

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

1 appropriated from the General Fund to the DAC the sum of sixteen million dollars (\$16,000,000)
2 in recurring funds to be used for any operational costs or other recurring costs incurred from
3 implementing the increase of county prisoners incarcerated in the State prison authorized under
4 G.S. 162-39(e), as amended by subsection (a) of this section.
5

6 **REPORTS**

7 **SECTION 5.** No later than July 1, 2027, the Department of Health and Human
8 Services, Division of Mental Health, Developmental Disabilities, and Substance Use Services,
9 in coordination with the Administrative Office of the Courts, shall provide a report to the Joint
10 Legislative Oversight Committee on Justice and Public Safety, the Joint Legislative Oversight
11 Committee on Health and Human Services, and the Fiscal Research Division on the status of the
12 appropriations contained in Sections 2 and 3 of this act, including (i) cost-savings to the court
13 system, (ii) reductions in case loads, (iii) reductions in the State's incarcerated population, and
14 (iv) any impacts on recidivism. An updated report shall be provided no later than December 1,
15 2027, and annually thereafter.
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17 **EFFECTIVE DATE**

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