

March 26, 2003

**H 684. PSYCHIATRIC HOSPITAL BONDS.** *TO PROVIDE A STATUTORY FRAMEWORK FOR THE FINANCING OF CAPITAL FACILITIES BY THE STATE, TO AUTHORIZE THE ISSUANCE OF SPECIAL INDEBTEDNESS TO FINANCE THE CONSTRUCTION OF A NEW PSYCHIATRIC HOSPITAL IN BUTNER, AND TO AUTHORIZE THE ISSUANCE OF SPECIAL OBLIGATION BONDS FOR THE CONSTRUCTION OF THE NEW PSYCHIATRIC HOSPITAL.* Adds new Art. 9 to GS Ch. 142 that codifies and authorizes forms of creative capital financing for state facilities, and permits use of these forms, particularly issuance of special obligation bonds and financing contracts, for construction of a new psychiatric hospital in Butner. Key financing terms defined by the bill include: bonded indebtedness—general term for limited obligation bonds and bond anticipation notes (both refunding bonds and notes) authorized by the legislation; certificates of participation— instruments delivered by a special corporation evidencing the assignment of proportionate undivided interests in rights to receive payments pursuant to a financing contract; certificates of participation indebtedness—financing contract indebtedness incurred by the state when a special corporation receives funds for capital construction through certificates of participation; financing contract—a lease-purchase contract, installment purchase contract or similar type of installment contract authorized by the legislation, but not including an operating lease under generally accepted accounting principles, a contract in principal amount of less than \$5000 or a higher floor set by the Council of State, or a contract fully payable within the same fiscal year; and special indebtedness—general term that includes financing contract indebtedness and bonded indebtedness.

Authorizes use by the state (not including local governments) of special indebtedness for capital facilities expressly authorized by the General Assembly or authorized for a specific category of capital facilities. In either event, the legislature must specify a maximum amount of special indebtedness. Establishes procedure and security requirements for special indebtedness. Bars deficiency judgments against the state or pledges of the taxing power of the state for special indebtedness, requiring that repayment come from funds appropriated by the legislature or from the security interest or lien. Contains special oversight requirements and procedures for certificates of participation. Provides for sale by the state of limited obligation bonds of up to 40 year terms and shorter term notes.

Authorizes up to \$110,000,000 in financing contract indebtedness, less any special obligation bonds issued under this legislation, for construction and equipping of a 432-bed psychiatric hospital in Butner. Debt is not to be incurred prior to July 1, 2004. Authorizes special obligation bonds (funded by a pledge of revenues from Medicaid and Medicare reimbursements and other federal payments for mental disease, as well as revenues from the hospital) up to the same debt ceiling for the project.

Directs the Sec'y of Health and Human Services to maintain all existing educational and research programs in psychiatry and psychology now at Dorothea Dix Hospital, unless modified by the UNC School of Medicine. Authorizes the county in which a new state psychiatric hospital is to be located to acquire real and personal property for the hospital, by eminent domain, and convey it to the state.

Makes savings from closure of Dorothea Dix Hospital and John Umstead Hospital over and above the cost of operating the new psychiatric hospital into nonreverting funds to be kept by the Dep't of Health and Human Services in the Trust Fund for Mental Health, Developmental Disabilities and Substance Abuse Services and Bridge Funding Needs and to be used for specified purposes of that trust fund.

**Intro. by Crawford, G. Allen, Fox, Luebke.**

Ref. to Finance	GS 142,143,153A
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June 4, 2003

**H 684. PSYCHIATRIC HOSPITAL FINANCING (NEW).** Intro. 3/26/03. House committee substitute makes the following changes to 1st edition. Deletes Sec. 3.1-3.14 (Special Obligation Hospital Bonds Act of 2003). Amends GS 143-15.3D(c) to provide that nonrecurring and recurring savings from closure of any state psychiatric hospitals (was, Dorothea Dix and John Umstead Hospitals) shall be used as provided in section. Further amends GS 143-15.3D(c) to provide that recurring savings realized from closures shall first be used for payment of debt service and the remainder of those savings shall be credited to the Dep't of Health and Human Services for purposes of subsections (b)(2) and (b)(3) of section. (was, funding needs had equal priority). Makes technical and conforming changes.

June 10, 2003

**H 684. PSYCHIATRIC HOSPITAL FINANCING.** Intro. 3/26/03. House committee substitute makes the following changes to 2nd edition. The bill directs Sec'y to maintain existing educational and research programs in psychiatry and psychology conducted at Dorothea Dix by UNC School of Medicine and to consult with School about new facility. Committee substitute adds comparable requirements for maintenance and consultation for programs conducted at Dorothea Dix and John Umstead hospital for psychology department within UNC College of Arts and Sciences

June 19, 2003

**H 684. PSYCHIATRIC HOSPITAL FINANCING.** Intro. 3/26/03. Senate amendment makes the following changes to 3rd edition. Changes title of new Art. 9, GS Ch. 142 from State Capital Facilities Finance Act to State Psychiatric Hospital Finance Act and replaces "capital facilities" with "psychiatric hospital" in several places in act.

July 14, 2003

**SL 2003-314 (H 684). PSYCHIATRIC HOSPITAL FINANCING.** *AN ACT TO PROVIDE FOR FINANCING THE CONSTRUCTION OF A NEW PSYCHIATRIC HOSPITAL TO BE LOCATED IN BUTNER.* Summarized in *Daily Bulletin* 3/26/03, 6/4/03, 6/10/03, and 6/19/03. Enacted July 10, 2003. Effective July 10, 2003.