

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015**

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SENATE BILL 705

Short Title: Ensure Fair Sale of Dorothea Dix Property. (Public)

Sponsors: Senators Pate, Tucker, Hise (Primary Sponsors); Brock and Krawiec.

Referred to: Rules and Operations of the Senate.

March 30, 2015

A BILL TO BE ENTITLED

AN ACT TO ENSURE A FAIR SALE OF THE DOROTHEA DIX PROPERTY; AND TO AMEND THE PURPOSES FOR WHICH FUNDS IN THE TRUST FUND FOR MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES AND BRIDGE FUNDING NEEDS MAY BE USED.

The General Assembly of North Carolina enacts:

SECTION 1. Disposal of Property Shall Be Governed by Act. –

Notwithstanding any other provision of law, no portion of the State-owned real property encompassing the Dorothea Dix Hospital campus shall be sold, leased, rented, gifted, or otherwise disposed of unless it complies with this act or is otherwise authorized by the General Assembly subsequent to the enactment of this act.

SECTION 2. Sale Procedure. – The property encompassing the Dorothea Dix

property shall be sold using the procedure set forth in 01 NCAC 06B .0304, and shall be subject to the requirements and limitations of that rule, except that the Council of State shall not waive advertisement of the sale.

SECTION 3. Minimum Bid Acceptable. – The minimum acceptable bid for the Dorothea Dix Property shall be fifty-two million dollars (\$52,000,000).

SECTION 4. Lease Back to the State Required. – Any sale pursuant to this act shall require a lease back to the State for a period of 10 years of that portion of the Dorothea Dix Property that is necessary to house the operations of the Department of Health and Human Services and shall allow adequate time and access to the Property and State records for all parties to exercise due diligence, obtain appraisals, and make all appropriate inquiries.

SECTION 5. Disposition of Sale Proceeds. – The net proceeds of any sale pursuant to this act shall be credited to the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding Needs and shall be spent only upon appropriation by the General Assembly and only for the purposes set forth in G.S. 143C-9-2(b)(1), as amended by Section 7 of this act.

SECTION 6. Consultation Required. – A sale made pursuant to this act, or an agreement to sell under this act, shall be void unless at least 30 days prior to the effective date of the sale or agreement to sell, the Joint Legislative Commission on Governmental Operations is consulted on the details of the sale or agreement.

SECTION 7. Amend Mental Health Trust Fund Statute. – G.S. 143C-9-2(b)(1) reads as rewritten:

"(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 (1) Provide start-up funds and operating support for programs and services that
2 provide more appropriate and cost-effective community treatment
3 alternatives for individuals currently ~~residing-residing~~, or at risk of residing,
4 in the State's mental health, developmental disabilities, and substance abuse
5 services institutions."

6 **SECTION 8. Termination of Lease to City of Raleigh.** – Upon the effective date
7 of this act, there is vested in the State of North Carolina, including the right of immediate
8 possession by the State, all of the right, title, and interest, including without limitation leasehold
9 interests, conveyed to the City of Raleigh by the State of North Carolina by lease approved by
10 the Governor and Council of State and executed December 28, 2012. This includes those as
11 described in Exhibit A of that lease and those in any of the exhibits, schedules, or attachments
12 to that lease or in the Memorandum of Lease dated December 28, 2012. That lease covers
13 approximately 325 acres as described in Section 1.8 of the lease and is shown as Dix Park, 307
14 acres +/-, in Exhibit A of that lease. Section 10 of the lease specifically notes the power of the
15 State to take by condemnation all or any part of the leasehold interest.

16 **SECTION 9. Compensation to City of Raleigh.** – In compensation to the City of
17 Raleigh for the taking in Section 8 of this act, the City is released from any obligations under
18 such lease, and any funds paid by the City of Raleigh to the State of North Carolina under that
19 lease shall be refunded to the City of Raleigh.

20 **SECTION 10. Procedure for Contesting Adequacy of Compensation.** – If the
21 City of Raleigh contests that just compensation has not been provided by Section 9 of this act,
22 it shall, within 60 days of the effective date of this act, file a special proceeding in the Superior
23 Court of Wake County for a determination of just compensation. The rules of procedure for
24 such action shall be determined by the judge presiding, unless the Supreme Court otherwise
25 provides rules of procedure under Section 13 of Article IV of the North Carolina Constitution,
26 but shall generally be the same as for determining just compensation in actions under Article 9
27 of Chapter 136 of the General Statutes.

28 **SECTION 11. Effective Date.** – This act is effective when it becomes law.