

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 584
Committee Substitute Favorable 4/4/89

Short Title: NCMH Name.

(Public)

Sponsors:

Referred to:

March 15, 1989

A BILL TO BE ENTITLED

AN ACT RELATING TO THE NAME OF THE NORTH CAROLINA MEMORIAL HOSPITAL AND TO THE TERMS OF THE MEMBERS OF THE HOSPITAL'S BOARD OF DIRECTORS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 116-37 reads as rewritten:

"§ 116-37. ~~University of North Carolina Memorial Hospital board of directors; administration of hospital.~~ **Hospitals at Chapel Hill.**

(a) (1) Composition. – The Board of Governors of the University of North Carolina is hereby directed to create a board of directors for the University of North Carolina Memorial Hospital-Hospitals at Chapel Hill consisting of 12 members of which nine shall be appointed by the ~~consolidated University Governors~~ Board of Governors. Three members ex officio of said board shall be the University of North Carolina at Chapel Hill Vice-Chancellor for Health Sciences, Affairs, University of North Carolina at Chapel Hill Vice-Chancellor for Business and Finance, and the Dean of the University of North Carolina at Chapel Hill Medical School, or successors to these offices under other titles with similar responsibilities. Nine members shall be appointed from the business and professional public-at-large, none of whom shall be Governors of the University, and, thereafter, the nine appointive members shall select one of their number to serve as chairman. Members of this board shall include, but not be limited to, persons with special competence in business management, hospital administration, and medical practice not affiliated with University faculty. ~~Four members shall be appointed for three-year terms and five members for five-year terms. All subsequent appointments shall be for five-~~

1 ~~year terms. Board member vacancies shall be filled by the Governors for the unexpired term.~~
2 The Governors may remove any member for cause. Board members, other than ex
3 officio members, shall each receive such per diem and necessary travel and subsistence
4 expenses while engaged in the discharge of their official duties as is provided by law for
5 members of State boards and commissions generally.

6 (a)(2) Appointment to Board. – Each of the nine persons who, as of June 30, 1989, is
7 servng as an appointed member of the Board shall be reassigned by the Governors,
8 each to a different term, ending June 30, 1989, June 30, 1990, June 30, 1991, June 30,
9 1992, June 30, 1993, June 30, 1994, June 30, 1995, June 30, 1996, or June 30, 1997.
10 After July 1, 1989, the term of office for new appointments shall commence on July 1,
11 and all members shall serve for four-year terms; provided, however, that no person may
12 be appointed to (i) more than three full four-year terms in succession, or (ii) a four-year
13 term if preceded immediately by 12 years of service. Resignation from a term of office
14 shall not constitute a break in service for the purpose of this subsection. Board member
15 vacancies shall be filled by the Governors for the remainder of the unexpired term.

16 (b) Meetings and Powers of Board. – The board of directors shall meet at least
17 every 60 days and may hold special meetings at any time and place within the State at
18 the call of its chairman. The board of directors shall make rules, regulations, and
19 policies governing the management and operation of the University of North Carolina
20 ~~Memorial Hospital, Hospitals at Chapel Hill,~~ consistent with basic State statutes and
21 procedures, to meet the goals of education, research, patient care, and community
22 service. The board's action on matters within its jurisdiction ~~are~~ is final, except that
23 appeals may be made, in writing, to the Board of Governors with a copy of the appeal to
24 the University administration. The board of directors shall elect and may remove the
25 executive director of the hospital-University of North Carolina Hospitals at Chapel Hill.
26 The board of directors may enter into formal agreements with the University of North
27 Carolina at Chapel Hill, Division of Health Sciences, Affairs, with respect to the
28 provision of clinical experience for students and may also enter into formal agreements
29 with the University of North Carolina at Chapel Hill for the provision of maintenance
30 and supporting ~~services needed by the hospital.~~ services.

31 (c) ~~Executive Director of Hospital.~~ Director. – The ~~executive head~~ chief
32 administrative officer of the University of North Carolina Memorial Hospital-Hospitals at
33 Chapel Hill shall be the executive director of the hospital-director, who shall be
34 appointed by the board of directors to serve at its pleasure. The executive director shall
35 administer the affairs of the hospital-University of North Carolina Hospitals at Chapel
36 Hill subject to the duly adopted policies, rules, and regulations of the board of directors,
37 including the appointment, promotion, demotion, and discharge of all hospital
38 personnel. The executive director of the hospital shall report to the board of directors
39 quarterly or more often as required. The executive director will serve as secretary to the
40 board of directors.

41 (d) ~~Hospital-Personnel.~~ – The ~~hospital-University of North Carolina Hospitals at~~
42 Chapel Hill shall establish-maintain a personnel office for personnel administration
43 independent of the central personnel office of the University of North Carolina at
44 Chapel Hill. administration.

1 (e) ~~Hospital~~ Finances. – The ~~hospital~~ University of North Carolina Hospitals at
2 Chapel Hill shall be subject to the ~~provision~~ provisions of the Executive Budget Act.
3 There shall be ~~established~~ maintained a ~~hospital~~ business and budget office to administer
4 the budget and financial affairs of the ~~hospital~~, ~~independent of the central business and~~
5 ~~financial office of the University of North Carolina at Chapel Hill, except for cooperative~~
6 ~~reporting requirements.~~ University of North Carolina Hospitals at Chapel Hill. The
7 ~~executive director~~ director, of the ~~hospital~~, subject to the board of directors, shall be
8 responsible for all aspects of budget preparation, budget execution, and expenditure
9 reporting. Subject to the approval of the Director of the Budget: All ~~hospital~~ operating
10 funds of the University of North Carolina Hospitals at Chapel Hill may be budgeted and
11 disbursed through a special fund code, all ~~hospital~~ receipts of the University of North
12 Carolina Hospitals at Chapel Hill may be deposited directly to the special fund code;
13 and general fund appropriations for ~~hospital~~ support of the University of North Carolina
14 Hospitals at Chapel Hill may be budgeted in a general fund code under a single purpose,
15 'Contribution to ~~Hospital~~ University of North Carolina Hospitals at Chapel Hill
16 Operations' and be transferable to the special fund operating code as receipts. Prior to
17 taking any action under this subsection, the Director of the Budget may consult with the
18 Advisory Budget Commission.

19 (f) ~~Hospital~~ Purchases. – The ~~hospital~~ University of North Carolina Hospitals at
20 Chapel Hill shall be subject to all provisions of Articles 3 and 3A of Chapter 143 of the
21 General Statutes relating to the Department of Administration, Purchase and Contract
22 Division. There shall be ~~established~~ maintained a ~~hospital~~ purchasing office ~~independent~~
23 ~~of the central purchasing office of the University of North Carolina at Chapel Hill~~ to handle all
24 purchasing requirements of the ~~hospital~~. University of North Carolina Hospitals at
25 Chapel Hill. The Purchase and Contract Division may enter into such arrangements with
26 the ~~hospital~~ board of directors as the Division may deem necessary in consideration of
27 the special requirements of the ~~hospital~~ University of North Carolina Hospitals at Chapel
28 Hill for procurement of certain supplies, materials, equipments and services.

29 (g) ~~Hospital~~ Property. – The ~~hospital~~ board of directors shall be responsible to the
30 University Board of Governors for the maintenance, operation, and control of the
31 ~~hospital~~ University of North Carolina Hospitals at Chapel Hill and ~~its~~ grounds.

32 (h) Patient Information. – The University of North Carolina Memorial Hospital
33 Hospitals at Chapel Hill shall, at the earliest possible opportunity, specifically make a
34 verbal and written request to each patient to disclose ~~his~~ the patient's Social Security
35 number, if any. If the patient does not disclose that number, the University of North
36 Carolina Memorial Hospital Hospitals at Chapel Hill shall deny benefits, rights and
37 privileges of the ~~hospital~~ University of North Carolina Hospitals at Chapel Hill to the
38 patient as soon as practical, to the maximum extent permitted by federal law or federal
39 regulations. The University of North Carolina Memorial Hospital Hospitals at Chapel
40 Hill shall make the disclosure to the patient required by Section 7(b) of P.L. 93-579.
41 This subsection is supplementary to G.S. 105A-3(c)."

42 Sec. 2. G.S. 105A-2(1)f reads as rewritten:

1 " f. The University of North Carolina Memorial Hospital
2 Hospitals at Chapel Hill in the conduct of its financial affairs
3 and operations pursuant to G.S. 116-37;"

4 Sec. 3. G.S. 114-4.2B reads as rewritten:

5 **"§ 114-4.2B. Employment of attorney for University of North Carolina Memorial**
6 **Hospital-Hospitals at Chapel Hill.**

7 The Attorney General is hereby authorized to employ an attorney to be assigned by
8 him full time to the University of North Carolina Memorial Hospital-Hospitals at Chapel
9 Hill. Such attorney shall be subject to all the provisions of Chapter 126 of the General
10 Statutes, relating to the State Personnel System. Such attorney shall also perform
11 additional duties as may be assigned to him by the Attorney General.

12 The attorney employed by the Attorney General under provisions of this section
13 shall be paid from the funds of the University of North Carolina Memorial Hospital
14 Hospitals at Chapel Hill."

15 Sec. 4. G.S. 116-187 reads as rewritten:

16 **"§ 116-187. Purpose of Article.**

17 The purpose of this Article is to authorize the Board of Governors of the University
18 of North Carolina to issue revenue bonds, payable from rentals, charges, fees (including
19 student fees) and other revenues but with no pledge of taxes or the faith and credit of the
20 State or any agency or political subdivision thereof, to pay the cost, in whole or in part,
21 of buildings and other facilities for the housing, health, welfare, recreation and
22 convenience of students enrolled at the institutions hereinafter designated, housing of
23 faculty, adult or continuing education programs and for revenue- producing parking
24 decks or structures, and for University of North Carolina Memorial Hospital-Hospitals at
25 Chapel Hill."

26 Sec. 5. G.S. 116-189 reads as rewritten:

27 **"§ 116-189. Definitions.**

28 As used in this Article, the following words and terms shall have the following
29 meanings, unless the context shall indicate another or different meaning or intent:

- 30 (1) The word 'Board' shall mean the Board of Governors of the University
31 of North Carolina.
- 32 (2) The word 'cost,' as applied to any project, shall include the cost of
33 acquisition or construction, the cost of acquisition of all property, both
34 real and personal, or interests therein, the cost of demolishing,
35 removing or relocating any buildings or structures on land so
36 acquired, including the cost of acquiring any lands to which such
37 buildings or structures may be moved or relocated, the cost of all
38 labor, materials, equipment and furnishings, financing charges, interest
39 prior to and during construction and, if deemed advisable by the
40 Board, for a period not exceeding one year after completion of such
41 construction, provisions for working capital, reserves for debt service
42 and for extensions, enlargements, additions and improvements, cost of
43 engineering, financial and legal services, plans, specifications, studies,
44 surveys, estimates of cost and of revenues, administrative expenses,

1 expenses necessary or incident to determining the feasibility or
2 practicability of constructing the project, and such other expenses as
3 may be necessary or incident to the acquisition or construction of the
4 project, the financing of such acquisition or construction, and the
5 placing of the project in operation. Any obligation or expense incurred
6 by the Board prior to the issuance of bonds under the provisions of this
7 Article in connection with any of the foregoing items of cost may be
8 regarded as a part of such cost.

9 (3) The term 'existing facilities' shall mean buildings and facilities then
10 existing any part of the revenues of which are pledged under the
11 provisions of any resolution authorizing the issuance of revenue bonds
12 hereunder to the payment of such bonds.

13 (4) The word 'institution' shall mean each of the institutions enumerated in
14 G.S. 116-2 and the University of North Carolina Memorial Hospital-
15 Hospitals at Chapel Hill.

16 (5) The word 'project' shall mean and shall include any one or more
17 buildings or facilities for (i) the housing, health, welfare, recreation
18 and convenience of students, (ii) the housing of faculty, (iii) adult or
19 continuing education, (iv) revenue-producing parking decks or
20 structures, and (v) education, research, patient care and community
21 services at the University of North Carolina Memorial Hospital,
22 Hospitals at Chapel Hill, of any size or type approved by the Board
23 and the Director of the Budget and any enlargements, improvements or
24 additions so approved of or to any such buildings or facilities now or
25 hereafter existing, including, but without limiting the generality
26 thereof, dormitories and other student, faculty and adult or continuing
27 education housing, dining facilities, student centers, gymnasiums, field
28 houses and other physical education and recreation buildings,
29 structures and facilities, infirmaries and other health care buildings,
30 structures and facilities, academic facilities for adult or continuing
31 education, and necessary land and interests in land, furnishings,
32 equipment and parking facilities. Any project comprising a building or
33 buildings for student activities or adult or continuing education or any
34 enlargement or improvement thereof or addition thereto may include,
35 without limiting the generality thereof, facilities for services such as
36 lounges, restrooms, lockers, offices, stores for books and supplies,
37 snack bars, cafeterias, restaurants, laundries, cleaning, postal, banking
38 and similar services, offices, rooms and other facilities for guests and
39 visitors and facilities for meetings and for recreational, cultural and
40 entertainment activities.

41 (6) The word 'revenues' shall mean all or any part of the rents, charges,
42 fees (including student fees) and other income revenues derived from
43 or in connection with any project or projects and existing facilities, and

1 may include receipts and other income derived from athletic games
2 and public events."

3 Sec. 6. G.S. 116-219 reads as rewritten:

4 **"§ 116-219. Authorization to secure insurance or provide self-insurance.**

5 The Board of Governors of the University of North Carolina (hereinafter referred to
6 as 'the Board') is authorized through the purchase of contracts of insurance or the
7 creation of self-insurance trusts, or through combination of such insurance and self-
8 insurance, to provide individual health-care practitioners with coverage against claims
9 of personal tort liability based on conduct within the course and scope of health-care
10 functions undertaken by such individuals as employees, agents, or officers of (i) the
11 University of North Carolina, (ii) any constituent institution of the University of North
12 Carolina, (iii) the University of North Carolina Memorial Hospital, Hospitals at Chapel
13 Hill, or (iv) any health-care institution, agency or entity which has an affiliation
14 agreement with the University of North Carolina, with a constituent institution of the
15 University of North Carolina, or with the University of North Carolina Memorial
16 Hospital, Hospitals at Chapel Hill. The types of health-care practitioners to which the
17 provisions of this Article may apply include, but are not limited to, medical doctors,
18 dentists, nurses, residents, interns, medical technologists, nurses' aides, and orderlies.
19 Subject to all requirements and limitations of this Article, the coverage to be provided,
20 through insurance or self-insurance or combination thereof, may include provision for
21 the payment of expenses of litigation, the payment of civil judgments in courts of
22 competent jurisdiction, and the payment of settlement amounts, in actions, suits or
23 claims to which this Article applies."

24 Sec. 7. G.S. 116-220(f) reads as rewritten:

25 "(f) By rules or regulations adopted by the Board in accordance with G.S. 116-220(b)
26 of this Article, the Board may provide that funds maintained in insurance trust accounts
27 under such a self-insured program of liability insurance may be used to pay any
28 expenses, including damages ordered to be paid, which may be incurred by the
29 University of North Carolina, a constituent institution of the University of North
30 Carolina, or the University of North Carolina Memorial Hospital, Hospitals at Chapel Hill
31 with respect to any tort claim, based on alleged negligent acts in the provision of health-
32 care services, which may be prosecuted under the provisions of Article 31 of Chapter
33 143 of the General Statutes."

34 Sec. 8. G.S. 122C-3(14) reads as rewritten:

35 "(14) 'Facility' means any person at one location whose primary purpose is to
36 provide services for the care, treatment, habilitation, or rehabilitation of the mentally ill,
37 the mentally retarded, or substance abusers, and includes:

38 a. An 'area facility', which is a facility that is operated by or under
39 contract with the area authority. A facility that is providing services
40 under contract with the area authority is an area facility for purposes of
41 the contracted services only. Area facilities may also be licensable
42 facilities in accordance with Article 2 of this Chapter. A State facility
43 is not an area facility;

- 1 b. A 'licensable facility', which is a facility that provides services for one
2 or more minors or for two or more adults. When the services offered
3 are provided to individuals who are mentally ill or mentally retarded,
4 these services shall be day services offered to the same individual for a
5 period of three hours or more during a 24-hour period, or residential
6 services provided for 24 consecutive hours or more. When the services
7 offered are provided to individuals who are substance abusers, these
8 services shall include all outpatient services, day services offered to
9 the same individual for a period of three hours or more during a 24-
10 hour period, or residential services provided for 24 consecutive hours
11 or more. Facilities for individuals who are substance abusers include
12 chemical dependency facilities;
- 13 c. A 'private facility', which is a facility that is either a licensable facility
14 or a special unit of a general hospital or a part of either in which the
15 specific service provided is not covered under the terms of a contract
16 with an area authority;
- 17 d. The psychiatric service of the University of North Carolina Memorial
18 ~~Hospital; Hospitals at Chapel Hill;~~
- 19 e. A 'residential facility', which is a 24-hour facility that is not a hospital,
20 including a group home;
- 21 f. A 'State facility', which is a facility that is operated by the Secretary;
- 22 g. A '24-hour facility', which is a facility that provides a structured living
23 environment and services for a period of 24 consecutive hours or more
24 and includes hospitals that are facilities under this Chapter; and
- 25 h. A Veterans Administration facility or part thereof that provides
26 services for the care, treatment, habilitation, or rehabilitation of the
27 mentally ill, the mental retarded, or substance abusers."

28 Sec. 9. G.S. 122C-54(f) reads as rewritten:

29 "(f) A State facility and the psychiatric service of the University of North Carolina
30 ~~Memorial Hospital; Hospitals at Chapel Hill~~ may disclose confidential information to staff
31 attorneys of the Attorney General's office whenever the information is necessary to the
32 performance of the statutory responsibilities of the Attorney General's office or to its
33 performance when acting as attorney for a State facility or the psychiatric service of the
34 University of North Carolina Memorial Hospital; Hospitals at Chapel Hill."

35 Sec. 10. G.S. 122C-55(a) reads as rewritten:

36 "(a) Any area or State facility or the psychiatric service of the University of North
37 ~~Carolina Memorial Hospital; Hospitals at Chapel Hill~~ may share confidential information
38 regarding any client of that facility with any other area or State facility or the
39 psychiatric service of the University of North Carolina Memorial Hospital; Hospitals at
40 Chapel Hill upon a written determination by the responsible professional that such
41 disclosure is necessary to coordinate appropriate and effective care, treatment or
42 habilitation of the client and that failure to share this information would be detrimental
43 to the care, treatment or habilitation of the client; provided however, confidential
44 information may be shared without a written determination either between State

1 facilities or between area facilities within the same catchment area. Under the
2 circumstances described in this subsection, the consent of the client or legally
3 responsible person is not required for this information to be furnished, and the
4 information may be furnished despite objection by the client."

5 Sec. 11. G.S. 122C-268(b) reads as rewritten: ♦

6 "(b) The attorney, who is a member of the staff of the Attorney General assigned to
7 one of the State's facilities for the mentally ill or the psychiatric service of the
8 University of North Carolina Memorial Hospital, Hospitals at Chapel Hill, shall represent
9 the State's interest at commitment hearings, rehearings, and supplemental hearings held
10 at the facility to which he is assigned under this Part.

11 In addition, the Attorney General may, in his discretion, designate an attorney who is
12 a member of his staff to represent the State's interest at any commitment hearing,
13 rehearing, or supplemental hearing held in a place other than at one of the State's
14 facilities for the mentally ill or the psychiatric service of the University of North
15 Carolina Memorial Hospital, Hospitals at Chapel Hill."

16 Sec. 12. G.S. 122C-270(f) reads as rewritten:

17 "(f) The Attorney General may employ four attorneys, one to be assigned by him
18 full-time to each of the State facilities for the mentally ill, to represent the State's
19 interest at commitment hearings, rehearings and supplemental hearings held under this
20 Article at the State facilities and to provide liaison and consultation services concerning
21 these matters. These attorneys are subject to Chapter 126 of the General Statutes and
22 shall also perform additional duties as may be assigned by the Attorney General. The
23 attorney employed by the Attorney General in accordance with G.S. 114-4.2B shall
24 represent the State's interest at commitment hearings, rehearings and supplemental
25 hearings held at the University of North Carolina Memorial Hospital, Hospitals at Chapel
26 Hill under this Article."

27 Sec. 13. The title of Part 11 of Article 5 of Chapter 122C of the General
28 Statutes reads as rewritten:

29 **"PART 11. VOLUNTARY ADMISSIONS, INVOLUNTARY**
30 **COMMITMENTS AND DISCHARGES, THE**
31 **PSYCHIATRIC SERVICE OF THE UNIVERSITY OF NORTH**
32 **CAROLINA MEMORIAL HOSPITAL, HOSPITALS AT CHAPEL HILL."**

33 Sec. 14. G.S. 122C-321 reads as rewritten:

34 **"§ 122C-321. Voluntary admissions and discharges.**

35 Any individual in need of treatment for mental illness or substance abuse may seek
36 voluntary admission to the psychiatric service of the University of North Carolina
37 Memorial Hospital, Hospitals at Chapel Hill. Procedures for admission and discharge
38 shall be made in accordance with Parts 2 through 4 of this Article. The applicant may be
39 admitted only upon the approval of the director of the psychiatric service or his
40 designee."

41 Sec. 15. G.S. 122C-322(a) reads as rewritten:

42 "(a) Except as otherwise specifically provided in this section references in Parts 6
43 through 8 of this Article to 24-hour facilities, outpatient treatment centers, or area
44 authorities, or private facilities shall include the psychiatric service of the University of

1 North Carolina Memorial Hospital—Hospitals at Chapel Hill. The psychiatric service may
2 be used for temporary detention pending a district court hearing, for commitment of the
3 respondent after the hearing, or as the manager and supervisor of outpatient
4 commitment. However, no individual may be held at or committed to the psychiatric
5 service without the prior approval of the director of the psychiatric service or his
6 designee."

7 Sec. 16. G.S. 122C-408(b) reads as rewritten:

8 "(b) After taking the oath of office required for law-enforcement officers, the special
9 police officers authorized by this section shall have the authority of deputy sheriffs of
10 Durham and Granville Counties in those counties respectively. Within the territorial
11 jurisdiction stated in subsection (a) of this section, the special police officers have the
12 primary responsibility to enforce the laws of North Carolina and any rule applicable to
13 that territory adopted under authority of this Part or under G.S. 143-116.6 or G.S. 143-
14 116.7 or under the authority granted any other agency of the State and also have the
15 powers set forth for firemen in Articles 3, 5 and 6 of Chapter 69 of the General Statutes.
16 Any civil or criminal process to be served on any individual confined at any State
17 facility within the territorial jurisdiction described in subsection (a) of this section shall
18 be forwarded by the sheriff of the county in which the process originated to the Director
19 of the Butner Public Safety Division. Special police officers authorized by this section
20 shall be assigned to transport any individual transferred to or from any State facility
21 within the territorial jurisdiction described in subdivision (a) of this section to or from
22 the psychiatric service of the University of North Carolina Memorial Hospital—Hospitals
23 at Chapel Hill."

24 Sec. 17. G.S. 143-12.1 reads as rewritten:

25 "**§ 143-12.1. Vending facilities.**

26 (a) The receipts from vending facilities operated by State agencies, institutions,
27 departments, boards, and commissions are State funds. The payments received by a
28 State agency, institution, department, board or commission by contract under which
29 another party operates vending facilities and pays a sum to the State, whether computed
30 as a percentage of gross or net receipts or gross or net profits, or as a fixed or variable
31 fee, are State funds.

32 (b) The receipts or payments described in subsection (a) of this section from
33 vending facilities shall be deposited as provided by law in the appropriate fund to be
34 determined by the Office of State Budget and Management.

35 (c) The net proceeds from vending facilities are subject to appropriation by the
36 General Assembly.

37 (d) The Office of State Budget and Management shall submit to the General
38 Assembly along with or as a part of the biennial budget (and along with or as a part of
39 any second-year budget requests) budgets for vending facilities operated by General
40 Fund, Highway Fund, and Wildlife Fund departments' and institutions' operating
41 budgets.

42 (e) Budgets for vending facilities prepared under subsection (d) of this section
43 shall reflect total receipts from the facilities, and the total costs to staff, stock, and
44 operate the vending facilities, shall set out the total net proceeds, and shall contain, in

1 line-item detail, requests the departments and institutions have submitted to expend the
2 net proceeds. If a State agency or institution receives payments on account of vending
3 facilities but does not actually operate the facilities, the budget shall contain a statement
4 of the payments and shall contain, in line-item detail, requests the departments and
5 institutions have submitted to expend the net proceeds.

6 (f) The net proceeds that the General Assembly approves for expenditure by the
7 department or institution shall be retained in the appropriate fund budget code for the
8 purposes approved by the General Assembly.

9 (f1) The net proceeds of the vending operations at the University of North
10 ~~Carolina Memorial Hospital-Hospitals at Chapel Hill~~ shall be used at the beginning of
11 each fiscal year to cover any deficits incurred by the Hospital's cafeteria operation
12 during the prior fiscal year. The amount transferred from the net proceeds of the
13 vending operations may not be available for expenditure but shall revert to the General
14 Fund at the end of the fiscal year.

15 (g) For the purposes of this section 'vending facilities' has the same meaning as
16 provided in G.S. 111-42(d), but also means any mechanical or electronic device
17 dispensing items or something of value or entertainment or services for a fee, regardless
18 of the method of activation, and regardless of the means of payment, whether by coin,
19 currency, tokens, or other means.

20 (h) The provisions of subsections (c) through (f1) of this section shall not
21 supersede or apply to operations under the provisions of Article 3 of Chapter 111 of the
22 General Statutes, G.S. 127A-138(b), or G.S. 116-36.1 through G.S. 116-36.2, or to the
23 operation of any vending facility by a community college or local school administrative
24 unit, but they shall apply to the operations of the University of North Carolina Memorial
25 ~~Hospital-Hospitals at Chapel Hill~~."

26 Sec. 18. G.S. 143-23.2(a) reads as rewritten: ♦

27 "(a) Political subdivisions may appropriate funds directly to the
28 Department of Human Resources, other public agencies and private sources may
29 transfer funds to the Department, and the Department may accept unconditional and
30 unrestricted donations of such funds. Notwithstanding the provisions of this Article
31 which might forbid such transfer or donation, the University of North Carolina Memorial
32 ~~Hospital-Hospitals at Chapel Hill~~ may transfer funds as provided by the previous
33 sentence of this section."

34 Sec. 19. This act is effective upon ratification.