

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 488
House Committee Substitute Favorable 6/24/25

Short Title: Clarify Disp. Place Analysis/IOLTA.

(Public)

Sponsors:

Referred to:

March 26, 2025

A BILL TO BE ENTITLED
AN ACT TO CLARIFY DISPOSITION PLACEMENT ANALYSIS AND REQUIRE
WRITTEN FINDINGS OF FACT; AND TO MODIFY IOLTA EXPENDITURES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 7B-903 reads as rewritten:

"§ 7B-903. Dispositional alternatives for abused, neglected, or dependent juvenile.

(a) The following alternatives for disposition shall be available to any court exercising jurisdiction, and the court may combine any of the applicable alternatives when the court finds the disposition to be in the best interests of the juvenile:

- (1) Dismiss the case or continue the case in order to allow the parent, guardian, custodian, caretaker or others to take appropriate action.
- (2) Require that the juvenile be supervised in the juvenile's own home by the department of social services in the juvenile's county or by another individual as may be available to the court, subject to conditions applicable to the parent, guardian, custodian, or caretaker as the court may specify.
- (3) Repealed by Session Laws 2015-136, s. 10, effective October 1, 2015, and applicable to actions filed or pending on or after that date.
- (4) Place the juvenile in the custody of a parent, relative, private agency offering placement services, or some other suitable person. If the court determines that the juvenile should be placed in the custody of an individual other than a parent, the court shall verify that the person receiving custody of the juvenile understands the legal significance of the placement and will have adequate resources to care appropriately for the juvenile. The fact that the prospective custodian has provided a stable placement for the juvenile for at least six consecutive months is evidence that the person has adequate resources.
- (5) Appoint a guardian of the person for the juvenile as provided in G.S. 7B-600.
- (6) Place the juvenile in the custody of the department of social services in the county of the juvenile's residence. In the case of a juvenile who has legal residence outside the State, the court may place the juvenile in the physical custody of the department of social services in the county where the juvenile is found so that agency may return the juvenile to the responsible authorities in the juvenile's home state.

(a1) In placing a juvenile in out-of-home care under this section, the court shall first ~~consider~~ determine whether a relative of the juvenile is willing and able to provide proper care and supervision of the juvenile in a safe home. If the court finds that the relative is willing and able to provide proper care and supervision in a safe home, then the court shall order placement



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1 of the juvenile with the relative unless the court ~~finds~~ determines that the placement is contrary
2 to the best interests of the juvenile. ~~In placing a juvenile in out-of-home care under this section,~~
3 ~~the court shall also consider whether it is in the juvenile's best interest to remain in the juvenile's~~
4 ~~community of residence. Placement of a juvenile with a relative outside of this State must be in~~
5 ~~accordance with the Interstate Compact on the Placement of Children.~~ If the juvenile has been
6 placed in out-of-home care with a nonrelative, the court may compare all placement options to
7 determine which placement option is in the juvenile's best interest.

8 (a2) An order under this section placing or continuing the placement of the juvenile in
9 out-of-home care shall contain a finding that the juvenile's continuation in or return to the
10 juvenile's own home would be contrary to the juvenile's health and safety.

11 (a3) An order under this section placing the juvenile in out-of-home care shall contain
12 specific findings as to whether the department has made reasonable efforts to prevent the need
13 for placement of the juvenile. In determining whether efforts to prevent the placement of the
14 juvenile were reasonable, the juvenile's health and safety shall be the paramount concern.

15 The court may find that efforts to prevent the need for the juvenile's placement were
16 precluded by an immediate threat of harm to the juvenile. A finding that reasonable efforts were
17 not made by a county department of social services shall not preclude the entry of an order
18 authorizing the juvenile's placement when the court finds that placement is necessary for the
19 protection of the juvenile.

20 (a4) If the court does not place the juvenile with a relative, the court may consider whether
21 an appropriate former foster parent, nonrelative kin-kin, or other persons with legal custody of a
22 sibling of the juvenile are willing and able to provide proper care and supervision of the juvenile
23 in a safe home. The court may order the department to notify the juvenile's State-recognized tribe
24 of the need for custodial care for the purpose of locating relatives or nonrelative kin for
25 placement. The court may order placement of the juvenile with an appropriate former foster
26 parent, nonrelative kin-kin, or other persons with legal custody of a sibling of the juvenile if the
27 court finds the placement is in the juvenile's best interests.

28 (a5) In placing a juvenile in out-of-home care under this section, the court shall also
29 determine whether it is in the juvenile's best interest to remain in the juvenile's community of
30 residence and make written findings of fact to support that determination. Placement of a juvenile
31 with a relative outside of this State must be in accordance with the Interstate Compact on the
32 Placement of Children.

33 (b) When the court has found that a juvenile has suffered physical abuse and that the
34 individual responsible for the abuse has a history of violent behavior against people, the court
35 shall consider the opinion of the mental health professional who performed an evaluation under
36 G.S. 7B-503(b) before returning the juvenile to the custody of that individual.

37 (c) Repealed by Session Laws 2015-136, s. 10, effective October 1, 2015, and applicable
38 to actions filed or pending on or after that date.

39 (d) The court may order that the juvenile be examined by a physician, psychiatrist,
40 psychologist, or other qualified expert as may be needed for the court to determine the needs of
41 the juvenile. Upon completion of the examination, the court shall conduct a hearing to determine
42 whether the juvenile is in need of medical, surgical, psychiatric, psychological, or other treatment
43 and who should pay the cost of the treatment. The county manager, or such person who shall be
44 designated by the chairman of the county commissioners, of the juvenile's residence shall be
45 notified of the hearing and allowed to be heard. Subject to G.S. 7B-903.1, if the court finds the
46 juvenile to be in need of medical, surgical, psychiatric, psychological, or other treatment, the
47 court shall permit the parent or other responsible persons to arrange for treatment. If the parent
48 declines or is unable to make necessary arrangements, the court may order the needed treatment,
49 surgery, or care and the court may order the parent to pay the cost of the care pursuant to
50 G.S. 7B-904. If the court finds the parent is unable to pay the cost of treatment, the court shall
51 order the county to arrange for treatment of the juvenile and to pay for the cost of the treatment.

1 The county department of social services shall recommend the facility that will provide the
2 juvenile with treatment.

3 (e) If the court determines that the juvenile may be mentally ill or developmentally
4 disabled, the court may order the county department of social services to coordinate with the
5 appropriate representative of the area mental health, developmental disabilities, and substance
6 abuse services authority or other managed care organization responsible for managing public
7 funds for mental health and developmental disabilities to develop a treatment plan for the
8 juvenile. The court shall not commit a juvenile directly to a State hospital or developmental center
9 for persons with intellectual and developmental disabilities and orders purporting to commit a
10 juvenile directly to a State hospital or developmental center for persons with intellectual and
11 developmental disabilities shall be void and of no effect. If the court determines that
12 institutionalization is the best service for the juvenile, admission shall be with the voluntary
13 consent of the parent, guardian, or custodian. If the parent, guardian, or custodian refuses to
14 consent to admission to a mental hospital or developmental center for persons with intellectual
15 and developmental disabilities, the signature and consent of the court may be substituted for that
16 purpose. A State hospital or developmental center for persons with intellectual and
17 developmental disabilities that refuses admission to a juvenile referred for admission by a court,
18 or discharges a juvenile previously admitted on court referral prior to completion of treatment,
19 shall submit to the court a written report setting out the reasons for denial of admission or
20 discharge and setting out the juvenile's diagnosis, indications of mental illness or intellectual and
21 developmental disabilities, indications of need for treatment, and a statement as to the location
22 of any facility known to have a treatment program for the juvenile in question.

23 (f) All findings and determinations made by the court pursuant to this section shall be
24 supported by written findings of fact."

25 **SECTION 2.** All funds received by the North Carolina State Bar, and administered
26 by the North Carolina Interest on Lawyers' Trust Accounts (NC IOLTA) Board of Trustees, from
27 banks by reason of interest earned on general trust accounts established by lawyers pursuant to
28 Rule 1.15-2(b) of the Rules of Professional Conduct, or interest earned on trust or escrow
29 accounts maintained by settlement agents pursuant to G.S. 45A-9, including any interest
30 dividends, or other proceeds earned on or with respect to these funds, shall not be encumbered
31 or expended for the purpose of awarding grants or for any purpose other than administrative costs
32 during the period beginning July 1, 2025, and ending June 30, 2026.

33 **SECTION 3.** Section 1 of this act becomes effective October 1, 2025, and applies to
34 petitions filed on or after that date. The remainder of this act is effective when it becomes law.