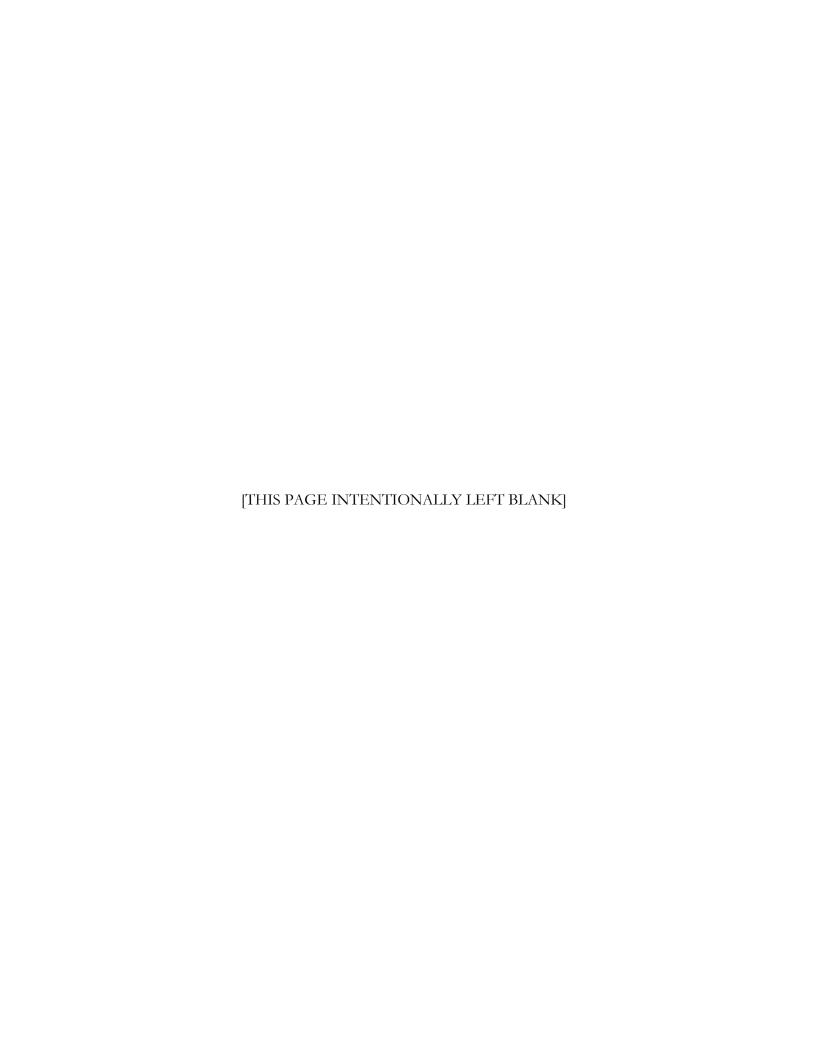


2018 North Carolina Rules with Economic Impact

- Schedule of Anticipated Rule Actions
- Rules that Affected Local Governments

Prepared by the North Carolina Office of State Budget and Management, Office of the Governor

March 2018



Background

On May 17, 1994, Governor James B. Hunt Jr. issued the Executive Order No. 49 entitled "Fiscal Notes on Administrative Rules Affecting Local Governments." The Executive Order set forth policies and procedures for state agencies to follow when proposing permanent rules with an impact on local governments. Through Session Law 1995-415, the General Assembly incorporated these policies, as well as other changes, in G.S. 150B-21.28 of the Administrative Procedure Act (APA). The revised APA increases state agencies' awareness of the effect proposed rules would have on local governments and enables local governments to be more involved in estimating the fiscal impact of permanent rules on local budgets.

According to requirements in the APA, the North Carolina Office of State Budget and Management (OSBM) prepares annually a report containing a schedule of anticipated rule actions in the upcoming fiscal year, as well as a summary of the projected economic impact on local governments of rules adopted in the preceding fiscal year. OSBM provides a copy of this annual report to the Governor, the General Assembly, the North Carolina Association of County Commissioners, and the North Carolina League of Municipalities, as required by the APA.

Outline

I. Summary

The Summary section contains statistics on anticipated rule actions in the following fiscal year that might have an economic impact, and rules adopted in the previous year with projected impact on local governments.

II. Schedule of Anticipated Rule Actions, July 1, 2018 – June 30, 2019

This section contains information on rules state agencies expect to adopt in SFY 2018-19 that would have an impact on: i) state expenditure or distribution of funds; ii) local government revenues or expenditures; or iii) would create a substantial economic impact. Substantial impact is statutorily defined as an aggregate financial impact to all parties involved of \$1,000,000 or greater over a 12-months period (G.S. 150B-21.4(b1)). The information in this section is organized by agency and agency division, and it includes the rule title, the North Carolina Administrative Code (NCAC) citation, staff contact information, proposed action, anticipated impact, and a brief description of the rule change.

III. Rules that Affected Local Governments, Adopted July 1, 2016 – June 30, 2017

The last section provides information on rules North Carolina agencies adopted in SFY 2016-17 that have a projected impact on local governments. The information is organized by agency and by adoption date, and it includes the rule title, NCAC citation, staff contact information, and expected net impact on local government revenues and expenditures over a five-year period.

I. Summary

In SFY 2018-19, state agencies anticipate acting on 75 different rule packages, based on reports submitted by more than 80 percent of agencies. This report uses the terms "rule change" or "rule" to refer to a package of permanent individual rules an agency proposes to adopt together that constitute a new policy. Therefore, the number of individual rules on which the agencies plan to act on is higher than the number noted in this report. See Table 1 below for a breakdown by agency.

The 75 rule package actions agencies anticipate making in SFY 2018-19 is a larger amount than the 70 actions agencies anticipated engaging in during the current fiscal year (SFY 2017-18), based on information presented in the 2017 NC Rules with Economic Impact Report. Approximately 88% of the 75 anticipated rule actions with economic impact for the following year include an amendment to existing regulations, nearly half of which are rule packages the agencies are required to readopt by G.S. 150B-21.3A. New rule adoptions make up 21% of the anticipated actions, and 4 percent include rule repeals (see Table 2).

Table 1. Number of Anticipated Rules with Economic Impact in SFY 2018-19

Agency	Number of Rule Packages	Percentage of Total (rounded)
Department of Commerce	1	1%
Department of Environmental Quality	35	47%
Department of Health and Human Resources	20	27%
Department of Insurance	4	5%
Department of Justice	1	1%
Department of Labor	1	1%
Department of Natural and Cultural Resources	1	1%
Department of State Treasurer	1	1%
Wildlife Resources Commission	11	15%
Total Anticipated Rules	75	100%

Table 2. Number of Anticipated Rules by Type of Action

Type of Impact	Number of Rule Packages	Percentage of Total (rounded)		
Amend	27	36%		
Readopt	32	43%		
Adopt	8	11%		
Adopt and Amend	5	7%		
Adopt, Amend, and Repeal	2	3%		
Repeal and Amend	0	0%		
Repeal and Adopt	1	1%		
Repeal	0	0%		
Total Anticipated Rules	75	100%		

The Department of Environmental Quality (DEQ), Department of Health and Human Services (DHHS), and the Wildlife Resources Commission (WRC) anticipate carrying out the majority of the rulemaking in SFY 2018-19, with 35, 20, and 11 anticipated rule packages, respectively. Note that 24 of the DEQ actions and eight of the DHHS actions are readoptions of existing regulations, which are required for the agency to comply with the review of existing regulation provisions in <u>G.S. 150B-21.3A</u>.

As agencies continue to engage in the existing rule review process, there might be additional rulemaking actions than those contained in this report. Based on the Readoption Schedule published by the Office of Administrative Hearings (as of February 12, 2018), agencies are planning to readopt another 45 rule chapters, totaling 1,789 individual rules, in the following fiscal year. At this point, it is unclear how many of those rules will be repealed or readopted, and of those readopted, how many will result in an economic impact. Since agencies may still be in the planning stages for their readoption packages, they may not be able to state whether the rules will be readopted with substantive changes. Therefore, it is possible for the total number of rule actions with economic impact to be higher in the upcoming year than the 75 reported here.

Table 3 presents the number of anticipated rule actions in the next fiscal year that agencies estimate will have a state government, local government, or substantial economic impact, which is defined in <u>G.S. 150B-21.4(b1)</u> as an aggregate economic impact of \$1 million or more over a 12-months period. In comparison to the estimates for the current fiscal year (see the <u>2017 NC Rules with Economic Impact Report</u>), agencies report a decrease in rules that might have an impact on state or local governments, and a small decrease from eleven to seven rules with substantial economic impact. Of the rules that will be readopted per <u>G.S. 150B-21.3A</u>, twelve will have state government impact, five will have local government impact, and three will have substantial impact. For more details, see Table 6 in Section II of this report.

Table 3. Number of Anticipated Rules by Type of Impact*

Type of Impact	Number of Rule Packages	Percentage of Total
State Government	35	47%
Local Government	19	25%
Substantial Economic Impact	7	9%

^{*} Note the percentages above do not add up to 100% because rules may have more than one type of impact (see Table 6 below for details). Also, unknown impacts ("U" in Table 6) are not included in this table.

In SFY 2016-17, state agencies adopted 29 rule changes estimated to have an impact on local governments (either a cost or benefit), as shown in Table 4.

Table 4. Number of Rules Adopted in SFY 2016-2017 with Local Government Impact, by Agency

Agency	Number of Rule Packages	Percentage of Total
Department of Environmental Quality	5	17%
Department of Health and Human Services	10	34%
Department of Natural and Cultural Resources	1	3%
Department of Justice	1	3%
Department of Revenue	1	3%
Department of Insurance	2	7%
Secretary of State	1	3%
Wildlife Resources Commission	8	28%
Total Adopted Rules	29	100%

Table 5 below presents the estimated quantified impact on local governments over a five-year period resulting from the rules adopted in SFY 2016-17. The net present value of these quantified impacts on local governments is approximately \$11.4 million in welfare costs (computed using a 7% discount rate, as mandated in <u>G.S. 150B-21.4(b1)</u> for fiscal note analyses).

Note there may be additional costs and benefits to local governments during the next five years from these rule changes that are not quantified. See Table 7 in Section III of this report for more detailed information on these rule changes.

Table 5. Estimated Impact on Local Governments of Rules Adopted by Agencies in SFY 2016-2017, (in thousands of \$)*

Agency	SFY	SFY2	SFY3	SFY 4	SFY 5
	<i>2016- 17</i>	2017- 18	2018- 19	2019- 20	2020- 21
Department of Environmental Quality	\$320	\$306	\$306	\$306	\$306
Department of Health and Human Services	\$986	\$4,389	\$2,944	\$3,806	\$821
Department of Natural and Cultural Resources	-\$300	-\$590	-\$870	-\$1,550	-\$1,120
Department of Justice	\$2,400	\$0	\$0	\$0	\$0
Department of Revenue		Unquan	itified net co	osts	
Department of Insurance	Un	quantified -	net impact	unknown	
Secretary of State		Unquanti	fied net ber	nefits	
Wildlife Resources Commission	\$11	\$0	\$0	\$0	\$0
Total Impact of Adopted Rules	\$3,417	\$4,105	\$2,380	\$2,562	\$7

^{*} Note that positive values constitute a net cost to local governments and negative values are net benefit.

Table 6. Schedule of Anticipated Rule Actions between July 1, 2018 and June 30, 2019

		_								
	Rule Title and Description	NCAC Citation(s)		Contact		.		Impacts		
Division			Name	Phone	Rule Action	Federally Required	S/	L/ SE/		
Department of	f Commerce									
Credit Union	Charitable Donation Account	04 NCAC 06C .1206	Tony Knox	919-571-4888	Adopt	No	U	- SE		
	The Division will propose a characteristic federally charter credit unions. under section 501 (c) (3) of the	Charitable contributions and	donations under	this rule must be i	made to cha	arities that are ex				
Department of	Environmental Quality									
Marine Fisheries	Secondary Nursery Areas	15A NCAC 03N .0105; 03I .0101; 03L .0101, .0103; 03M .0523, .0524; 03R .0105	Catherine Blum	252-808-8014	Adopt and Amend	No	S	L SE		
	be used in special secondary nur croaker. Over the last five years percent of the shrimp fishery or including substantial economic to develop the fiscal analysis of proposed rules will become effe	, the average annual value of the curs in areas affected by the primpacts and impacts to local at the petitioned rules. As the discountries of the petitioned rules are the petitioned rules.	the shrimp fishe petitioned rules. governments. T	ry in North Carolir There would be fa ne Division of Mar	na is estima r-reaching i ine Fisherie	ted at over 17 m impacts of the p es has initiated ro	nillion doll roposed r alemaking	ars. Over 99 ules, by beginning		
Marine Fisheries	Estuarine Gill Net Permit	15A NCAC 03O .0501, .0503	Catherine Blum	252-808-8014	Amend	No	S			
	Proposed amendments add the Estuarine Gill Net Permit requirements to the permit rules. The Estuarine Gill Net Permit has been issued by proclamation since 2014. The permit is for license holders using gill nets in Internal Coastal Fishing Waters and is necessary for North Carolina to maintain compliance with the Incidental Take Permits obtained through the National Oceanic and Atmospheric Administration Fisheries. Placing the permit requirements in rule has no impact on holders of the permit as the reporting requirements, application process, and zero-cost of the permit will not change. Seasonal openings as well as gear requirements will continue to be stipulated in proclamation due to the variable nature of the conditions of the fishery.									
Coastal Management	Temporary erosion control structures (sandbags)	15A NCAC 07H .0308	Tancred Miller	252-808-2808	Amend	No	S			
	The rule change primarily exten NCDOT due to the ability to ke		be used for em	ergency erosion co	ntrol. DCM	I expects a mino	or net bene	efit to		

^{*} S = State Impact, L = Local Impact, SE = Substantial Economic Impact of \$1,000,000 or greater in a 12-months period, U = Impact Unknown.

			Co	ontact				Impac	ets
Division	Rule Title and Description	NCAC Citation(s)	Name	Phone	Rule Action	Federally Required	S/	L/	SE/
Coastal Management	Land Use Planning Guidelines	15A NCAC 07B .0802, .0803	Rachel Love- Adrick	252-808-2808	Amend	No	-	L	-
	The rule changes streamline the Will result in some time and trav			mission approves	amendmen	ts and updates t	to local lar	nd use j	plans.
Coastal Management	Technical Standards for Beach Fill Projects	15A NCAC 07H .0312	Ken Richardson	252-808-2808	Amend	No	S	L	U
	This rule ensures that sand used performed, and exempts sand fr governments, and could also lov possible.	om the Cape Shoal systems f	rom compatibility	y analysis. These c	hanges will	reduce project	costs for l	local	are
Coastal Management	General Permit for Marsh Sills	15A NCAC 07H .2700	Daniel Govoni	252-808-2808	Amend	No	U	-	-
	The changes will simplify perminumber of major permits issued permits issued is dependent upon to DCM.	for this activity. DCM's perr	nit receipts could	increase or decrea	ase slightly.	Any possible in	crease in	general	
Coastal Management	Use Standards for Ocean Hazard Areas: Exceptions	15A NCAC 07H .0309	Tancred Miller	252-808-2808	Amend	No	S	L	-
	Changes to this rule would allow NCDOT (and possibly local governments) to extend existing stormwater outfalls further across the beach and into the ocean. This change could result in reduced maintenance costs for NCDOT and local governments, but will not be substantial.								
Energy, Mineral and	Water Supply Watershed Rules	15A NCAC 2B .0620- .0624	Julie Ventaloro	919-807-6370	Readopt	No	-	-	U
Land Resources	We are not anticipating rule changes that will have economic impact. Anticipated rule changes only seek to provide clarifying language for understanding of requirements, definitions of existing terms, and administrative corrections. It is anticipated that any changes will provide additional flexibility.								
Energy, Mineral and Land Resources	Sedimentation Control	15A NCAC 04A .01010105; 04B .01010132; 04C .01010111; 04D .01010103; 04E .01010504	John Holley	919-707-9215	Readopt	No	-	-	U
	We are not anticipating rule cha understanding of requirements,								

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			Ca	Contact		T		Impac	cts		
Division	Rule Title and Description	NCAC Citation(s)	Name	Phone	Rule Action	Federally Required	S/	L/	SE/		
Energy, Mineral and	Dam Safety	15A NCAC 02K .0212	Boyd DeVane	919-707-9212	Readopt	No	-	-	U		
Land Resources	We are not anticipating rule changes that will have economic impact. Anticipated rule changes only seek to provide clarifying language for understanding of requirements, definitions of existing terms, and administrative corrections (addresses, Agency Names, Reference Edits, etc.).										
Energy, Mineral and	Dam Safety CCR Rules	15A NCAC 02K Section.0600	Boyd DeVane	919-707-9212	Readopt	No	-	-	U		
Land Resources	We are not anticipating rule char Combustion Residuals rules as re						ng langua	age for	Coal		
Waste Management	Risk-Based Assessment and Corrective Action for Petroleum Underground Storage Tanks	15A NCAC 02L Section .0400	Jeremy Poplawski	919-707-8151	Readopt	Yes	U	U	U		
	N/A										
Waste Management	Risk-Based Assessment and Corrective Action for Petroleum Releases from Aboveground Storage Tanks and Sources	15A NCAC 02L Section .0500	Jeremy Poplawski	919-707-8151	Readopt	No	U	U	U		
	N/A										
Waste Management	Rules and Criteria for the Administration of the Dry- Cleaning Solvent Cleanup Fund	15A NCAC 02S	Peter Doorn	919-707-8369	Readopt	No	S	-	-		
	In addition to readoption pursuant to 150B-21.3, the 15A NCAC 02S Rules are being amended to include technical corrections, clarifications, and updates to provide consistency among DEQ's risk-based programs. It is anticipated that the State will see a cost benefit from these rules as they amend the upper acceptable cancer risk range to mirror the risk-based remediation standards under G.S. 130A-310.68 (SL 2015-286). This amendment is projected to yield a cost savings for the DSCA program, but as described in the fiscal analysis, the savings will be limited because of the small universe of sites affected by the proposed change.										
Waste Management	Permits for Solid Waste Management Facilities	15A NCAC 13B Section .0200	Jessica Montie	919-707-8247	Readopt	No	U	U	-		
	Readoption with amendments.										
Waste Management	Treatment and Processing Facilities	15A NCAC 13B Section .0300	Jessica Montie	919-707-8247	Readopt	No	U	U	-		
	May either be readopted or repe	aled with requirements added	to 15A NCAC	13B Section .0400	·						

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			Contact	Contact				Impac	cts		
Division	Rule Title and Description	NCAC Citation(s)	Name	Phone	Rule Action	Federally Required	S/	L/	SE/		
Waste Management	Transfer Facilities	15A NCAC 13B Section .0400	Jessica Montie	919-707-8247	Readopt	No	U	U	U		
	Readoption with amendments, may propose to adopt new rules.										
Waste Management	Disposal Sites	15A NCAC 13B .0503, .0544, .0545, .0547	Jessica Montie	919-707-8247	Readopt	No	U	U	U		
	Readoption with amendments for 4 rules in Section .0500.										
Waste Management	Monitoring Requirements	15A NCAC 13B Section .0600	Jessica Montie	919-707-8247	Readopt	No	U	U	U		
	Readopting .0601 and .0602, propose to adopt new rule .0603.										
Waste Management	Septage Management	15A NCAC 13B Section .0800	Jessica Montie	919-707-8247	Readopt	Yes	U	-	-		
	Readoption with amendments, a subset of these rules (.0830, .0831, .0838, .0840, .0843) implement federal regulations (40 CFR 257, 40 CFR 503).										
Waste Management	Scrap Tire Management	15A NCAC 13B Section .1100	Jessica Montie	919-707-8247	Readopt	No	U	U	-		
	Readoption with amendments, propose to repeal or consolidate multiple rules.										
Waste Management	Medical Waste Management	15A NCAC 13B Section .1200	Jessica Montie	919-707-8247	Readopt	No	U	U	-		
	Readoption with amendments.										
Waste Management	Requirements for Municipal Solid Waste Landfill Facilities	15A NCAC 13B .1630 through .1637	Jessica Montie	919-707-8247	Readopt	Yes	U	U	-		
	Readoption with amendments of	8 rules in Section .1600, the	se rules imple	ment federal regulatio	on 40 CFR	258.					
Waste Management	Financial Assurance for Solid Waste Management Facilities	15A NCAC 13B Section .1800, and rules .0546, .1111, and .1628	Jessica Montie	919-707-8247	Adopt, Amend, and Repeal	No	-	U	-		
	Repealing financial assurance rule	es .0546, .1111, and .1628 to	amend, comb	ine, and adopt as one	new Section	on .1800.					

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			Contact					Impacts		
Division	Rule Title and Description	NCAC Citation(s)	Name	Phone	Rule Action	Federally Required	S/	L/	SE/	
Waste Management	Requirements for Disposal and Recycling of Coal Combustion Residuals (CCR) Facilities and Units	15A NCAC 13B Section .2000	Jessica Montie	919-707-8247	Adopt	Yes	S	U	-	
	Adopt new rules to conform to	federal requirements.								
Waste Management	E-Manifest User Rule	15A NCAC 13A .0101 and .0109	Jenny Patterson	336-767-0031	Adopt and Amend	Yes	U	U	U	
	Adopt new rules to conform to	federal requirements.								
Air Quality	Group 4 Rules Readoption- Particulates from Fugitive Dust Emission Sources, Control of Odors, and Open Burning	15A NCAC 02D .0540, Sections .1800 and .1900	Joelle Burleson	919-707-8720	Readopt	Yes	S	L	-	
	Rule development beginning initiation being readopted with revisions to Other Solid Waste Incineration units may be owned or operated impacts as defined in 150B 21.4	o reflect federal emissions gu Units (OSWI), related to air c at local government sites. Ar	idelines for Con curtain burners.	nmercial and Indus Air curtain burners	trial Solid W may need t	Vaste Incinerations obtain an air c	n Units (Juality per	CISWI mit. So) and	
Air Quality	Municipal Solid Waste Landfills	15A NCAC 02D .1700	Joelle	919-707-8720	Readopt	Yes	S	L		
	The landfill rules are being readopted and updated to reflect federal emissions guidelines for existing municipal solid waste landfills (40 CFR 60 Subpart Cf). The rule amendments are anticipated to be consistent with the updated federal requirements for municipal solid waste landfills some of which are owned/operated by county governments or municipalities. A very small number of municipal solid waste landfills are anticipated to have to install gas collection wells over a 10-year period; however, impact is anticipated to be substantial. Ongoing litigation regarding the emissions guidelines at the federal level may continue to impact whether this readoption occurs during FY 2018-19.									
, ,	The landfill rules are being reade Subpart Cf). The rule amendme of which are owned/operated b have to install gas collection wel	nts are anticipated to be consi- y county governments or mul ls over a 10-year period; how	istent with the unicipalities. A very ever, impact is a	apdated federal requery small number of anticipated to be sul	irements for municipal ostantial. O	or municipal soli solid waste land ngoing litigation	d waste la fills are ar	40 CFF undfills nticipat	some	

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				Contact				Impac	cts		
Division	Rule Title and Description	NCAC Citation(s)	Name	Phone	Rule Action	Federally Required	S/	L/	SE/		
Water Resources	Rules Governing Public Water Systems	15A NCAC 18C	Jessica Godreau	919-707-9078	Readopt	Yes	U	U	U		
	Changes will be adopted to comply with HB74 Periodic Review and Revision of Rules.										
Water Resources	Rules Governing Water Treatment Facility Operators	15A NCAC 18D	Jay Frick	919-707-9102	Readopt	Yes	U	U	U		
	Changes will be adopted to com	ply with HB74 Periodic Revie	ew and Revision	of Rules.							
Water Resources	Animal Waste Operator Rules	15A NCAC 08F	Steve Reid	919-707-9108	Readopt	Yes	U	U	U		
	Changes will be adopted to comply with HB74 Periodic Review and Revision of Rules.										
Water Resources	Wastewater Operator Rules	15A NCAC 08G	Steve Reid	919-707-9108	Readopt	Yes	U	U	U		
	Changes will be adopted to comply with HB74 Periodic Review and Revision of Rules.										
Water Resources	Emergency and Source Water Protection Planning	15A NCAC 18C .1305	Jay Frick	919-707-9102	Adopt	Yes	U	L	SE		
	A new rule will be adopted to comply with S.L. 2014-41.										
Water Resources	Triennial Review of Surface Water Quality Standards	15A NCAC 02B .0211 & .0220, and 15A NCAC 02B .0224 case by case scenarios	Jucilene Hoffmann	919-707-9016	Readopt	Yes	S	L	SE		
	The rule change complies with	the federal requirement to rev	riew of standard	ls for surface water	quality.						
Department of	Health and Human Resources										
Health Benefits	Managed Care and Prepaid Plans	10A NCAC 22L .0101- .0104, .0201, .0203; 23C .0105	Tabitha Bryant	(919) 524- 7014	Adopt, Amend, and Repeal	Yes	U	U	U		
	The anticipated rule changes see applicable to Prepaid Health Pla the Division is uncertain of the S	ns, their enrollees, and their c	ontracted provi	ders under the futu	re Medicaio	l managed care p					

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				Contact	_			Impac	ets
Division	Rule Title and Description	NCAC Citation(s)	Name	Phone	Rule Action	Federally Required	S/	L/	SE/
Health Service Regulation	Jails	10A NCAC 14J .0101, .0102, .0103, .0201, .0203, .0204, .0301, .0302, .0303, .0402, .0403, .0404, .0405, .0501, .0601, .0702, .0705, .0904, .1001, .1002, .1201, .1202, .1203, .1207, .1210, .1212, .1213, .1214, .1215, .1218, .1219, .1225, .1226	Nadine Pfeiffer	919-855-3811	Repeal and Adopt	No	S	L	U
	These rules are being readopted "Necessary with Substantive Pul practices that were appropriate i been drafted with input per state classification and housing of inn standards for new jail design and Construction Section of the DH the jails, therefore state and loca standards being changed, these results in the state of the part	olic Interest." The last time and the 1990's are not the best, in the with a stakeholder group. In the safety, security requils construction. The operation SR regulates and inspects the I government will be impacted.	y of the rules is most current pure the readoption irements, super of the jail in ear Jails. These chall. It is also anti-	n the Subchapter har ractices and many on the second many of the second many of the second many is determined anges will affect the cipated with the nu	of these rule of these rule areas of def and personal nined by the e cost in op mber of rul	vised was 1993. The series need revision. Initions, the operal hygiene, menus as Sheriff of the certains and consider readoptions and series.	The stand The rule ations m , health county. The struction d due to	lards an change anual, are, an ne standa	s have d rds of
Health Service Regulation	Certificate of Need (CON)	10A NCAC 14C .2101 and .2103	Nadine Pfeiffer	919-855-3811	Amend	No	U	-	-
Hald Carrie	These rules will be temporary rule addressed in the State Medical Flexisting Certificate of Need rules 11, 2017 and became effective Ja Services and Operating Rooms. if the rules increase the time for	acilities Plan (SMFP). The open are required to compliment of anuary 1, 2018. The subject are The proposed rule reflects me CON applications review by second subject and control of the proposed rule reflects me control of the proposed rule rule reflects me control of the proposed rule reflects me control of the proposed rule rule rule rule rule rule rule rule	erating room nor be made corea addressed bethodology chastaff. None of	eed methodology was sistent with the SM ye the proposed rule ages by reference to the fiscal impact is justiced.	vas changed IFP that wa changes ar o the SMFF projected to	in the 2018 SMF as signed by the gethe criteria and P. There is a posso be substantial o	FP. Revis overnor standard ibility for r to local	ions to on Dec ls for S r state i	cember urgical mpact
Health Service Regulation	Director Rulemaking	10A NCAC 14A .0101, .0102, and .0103	Nadine Pfeiffer	919-855-3811	Amend	No	S	-	-
	These rules are being readopted "Necessary with Substantive Pul rulemaking petitions, rulemaking and declaratory rulings with the and procedure, as well as technic updates in the rule readoptions. projected to be substantial or to	olic Interest." No rule text hat g procedures, and declaratory Director issuing final declarat- cal changes for rulemaking and The total amount of anticipal	s been drafted rulings. The D ory ruling decis d declaratory ru	for these readoption HSR Division Office sions. The rule readulings. It is anticipated	ns. The reace is respond options will ted there with the contractions will be contracted to the contractions of the contractio	doptions will foc sible for receiving l consist of update ill be a state impa	us in the g rulemates to cure to due to	areas o king po rent pr proce	etitions ocess

^{*} S = State Impact, L = Local Impact, SE = Substantial Economic Impact of \$1,000,000 or greater in a 12-months period, U = Impact Unknown.

				Contact				Impac	cts
Division	Rule Title and Description	NCAC Citation(s)	Name	Phone	Rule Action	Federally Required	S/	L/	SE/
Health Service Regulation	Hospital Bylaw	10A NCAC 13B .3701, .3702, .3703, .3704, .3705, .3706, and .3707.	Nadine Pfeiffer	919-855-3811	Readopt	Yes	S	L	SE
	These rules are being readopted "Necessary with Substantive Pul hospital bylaws and develop rule text has been developed for thes rural areas in the state. The Acur providers. It is anticipated these however it is unknown at this tir Care Licensure & Certification Substantial economic impact. The	blic Interest." A subcommitted e changes for readoption due to se rules. Hospitals are non-prote and Home Care Licensure of rule changes will affect the come what changes to the rules of section for regulatory compliant.	e of the Medic to the number offit, for-profit as & Certification ost to the interwill be made. I nce activities.	al Care Commission of comments receive and governmentally Section of DHSR in all operation of the t is also anticipated Therefore, state and	has been red during to owned and s responsib regulated p there will be	neeting to review he periodic revie operated facilition le for licensing and roviders for come e cost incurred to	the prolow proces located and regular pliance was the Acu	blems vers. No real in urbating the with the later and	rule oan and ese e rules, Home
Health Service Regulation	Hospital Construction	10A NCAC .6101, .6102, .6103, and .6207	Nadine Pfeiffer	919-855-3811	Readopt	Yes	S	L	U
	These rules are being readopted "Necessary with Substantive Pul drafted for these readoptions. The application of physical plant requestions of DHSR is responsible aspect of these facilities. Hospitathe state. It is anticipated these representations in the state of the section for regulatory compliance impact is unknown.	blic Interest." A stakeholder g hese rules will focus on the ge uirements, and outpatient surg for licensing these providers, als are non-profit, for-profit a rule changes will affect the cos me what changes to the rules	roup will be coneral construction facilities. It the Construction government to the international be made. I	onsulted on the rule tion requirements, l Although the Acute ion Section of DHS tally owned and operation of the rule is also anticipated	developme isting of ref and Home R is respon- erated facility regulated pr there will be	nt; however, no recently codes are Care Licensure a sible for regulating ies located in urboviders for compercost incurred to	rule text and standa and Certi and the ph boan and a bliance w both the Con	has been the has b	n plant eas in rules, ion
Public Health	Sewage Treatment and Disposal Systems	15A NCAC 18A .1900	Bob Martin	919-707-5179	Amend	No	S	L	U
	Re-organization of onsite sewag local environment health inspec				on, some of	which may have	opportu	nity co	sts for
Public Health	Submission of Blood Specimens for Screening of Newborns	10A NCAC 43H .0314	Bob Martin	919-707-5179	Adopt	No	S	-	SE
	SL 2015-272 mandates newborn of testing a SCID newborn who over four million five hundred thundred thousand dollars (\$100,	is not diagnosed until there is housand dollars (\$4,500,000),	a serious infe	ction can range from	n five hund	red thousand dol	lars (\$50	00,000)	to well

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			Co	ontact	_			Impac	ets		
Division	Rule Title and Description	NCAC Citation(s)	Name	Phone	Rule Action	Federally Required	S/	L/	SE/		
Public Health	Reportable Diseases and Conditions	10A NCAC 41A .0101	Bob Martin	919-707-5179	Amend	No	S	-	-		
	Amend to add hospital acquired infections to reporting requirements. Minimal costs to laboratories, minimal opportunity costs for state Epidemiology staff, and one-time software development costs.										
Public Health	Intoximeters: Model Intox ec/ir ii And Intoximeters: Model Intox Ec/IR II	10A NCAC 41B .0322	Bob Martin	919-707-5179	Amend	No	S	-	-		
	Amend to add addition blood at be expended to purchase the de		f approved device	es. State funds fro	m Governo	or's Highway Tr	affic Safet	y funds	s will		
Public Health	Intoximeters: Model Intox ec/ir ii And Intoximeters: Model Intox Ec/IR II	10A NCAC 41B .0323	Bob Martin	919-707-5179	Amend	No	S	-	-		
	Amend to add addition blood all be expended to purchase the de	cohol testing device to list or vices.	f approved device	es. State funds fro	m Governo	or's Highway Tr	affic Safet	y funds	s will		
Public Health	Approved Alcohol Screening Test Devices: Calibration	10A NCAC 41B .0503	Bob Martin	919-707-5179	Amend	No	S	-	-		
	Amend to add addition blood alcohol testing devices to list of approved devices. State funds from Governor's Highway Traffic Safety funds will be expended to purchase the devices.										
Public Health	Data Review	15A NCAC 18A .3805	Bob Martin	919-707-5179	Amend	No	S	L	-		
	By amending the current rule, all well owners/leaseholders will receive further educational information regarding the required testing, optional testing, limitations of such testing, the need and frequency for resampling, and exposure limitations, if applicable.										
Public Health	TBD	15A NCAC 18A	Bob Martin	919-707-5179	Adopt	No	S	L	U		
	Adopt rules governing permits issued for private drinking water wells for circumstances in which the local health department has determined that the proposed site for a private drinking water well is located within 1,000 feet of a known source of release of contamination.										
Mental Health, Developmental Disabilities, and Substance	Involuntary Administration of Psychotropic Medication	10A NCAC 26D .1104	W. Denise Baker	919-733-7011	Readopt	No	S	U	U		
Abuse Services MH/DD/SAS	The proposed changes are experiential need for additional po			cilities and may resu	ult in additi	onal responsibil	ities as we	ell as a			

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			C	Contact				Impac	rts			
Division	Rule Title and Description	NCAC Citation(s)	Name	Phone	Rule Action	Federally Required	S/	L/	SE/			
MH/DD/SAS	Psychotropic Medication Education	10A NCAC 26D .1105	W. Denise Baker	919-733-7011	Readopt	No	S	U	U			
	The proposed changes are expected to impact staffing requirements at the facilities and may result in additional responsibilities as well as a potential need for additional positions (including salary and benefits).											
MH/DD/SAS	Use of Seclusion	10A NCAC 26D .1202	W. Denise Baker	919-733-7011	Readopt	No	S	U	U			
	The proposed changes are expected to impact staffing requirements at the facilities and may result in additional responsibilities as well as a potential need for additional positions (including salary and benefits).											
MH/DD/SAS	Use of Restraint	10A NCAC 26D .1203	W. Denise Baker	919-733-7011	Readopt	No	S	U	U			
	The proposed changes are experiential need for additional pos			cilities and may resu	ılt in additio	onal responsibili	ties as we	ll as a				
MH/DD/SAS	Protective Devices	10A NCAC 26D .1204	W. Denise Baker	919-733-7011	Readopt	No	S	U	U			
	The proposed changes are experpotential need for additional pos-			cilities and may resu	ılt in additio	onal responsibili	ties as we	ll as a				
MH/DD/SAS	Involuntary Referrals and Transfers	10A NCAC 26D .1206	W. Denise Baker	919-733-7011	Readopt	No	S	U	U			
		The proposed changes are expected to impact staffing requirements at the facilities and may result in additional responsibilities as well as a potential need for additional positions (including salary and benefits).										
Department of	Insurance											
Industrial Commission	04 NCAC Chapter 10 Industrial Commission	10A Workers' Compensation Rules	Kendall Bourdon	919-807-2644	Adopt and Amend	No	U	U	U			
	Following extensive rulemaking updates. This anticipated rulem						to make:	revisio	ns and			
Industrial Commission	04 NCAC Chapter 10 Industrial Commission	10B Tort Claims Rules	Kendall Bourdon	(919)-807- 2644	Amend	No	U	U	U			
	Following extensive rulemaking updates, most likely limited to a		CIC anticipates s	ome additional rule	emaking in S	Subchapter 10B	to make:	revisio	ns and			

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			Co	ontact				Impac	cts			
Division	Rule Title and Description	NCAC Citation(s)	Name	Phone	Rule Action	Federally Required	S/	_ L/	SE/			
Industrial Commission	04 NCAC Chapter 10 Industrial Commission	10L Industrial Commission Forms	Kendall Bourdon	(919)-807- 2644	Adopt and Amend	No	U	Ú	U			
	Some existing Industrial Commission Forms that are not currently in rules may undergo substantive revisions which would require their adoption as rules in Subchapter 10L.											
Industrial Commission	04 NCAC Chapter 10 Industrial Commission	10J Fees for Medical Compensation	Kendall Bourdon	(919)-807- 2644	Amend	No	U	U	U			
	Due to continued litigation involving the Industrial Commission's medical fee schedule, it is anticipated that additional amendments may be necessary in the upcoming fiscal year.											
Department of	Justice											
NC Sheriffs' Education and Training	Minimum Training Requirements (Annual In- Service Training)	12 NCAC 10B .2005	Diane Konopka	919-662-4375	Amend	No	U	U	U			
Standards Commission	Training requirements expire annually, so rulemaking is required to maintain and update the requirements.											
Department of	Labor											
Elevator and Amusement	Safety Standards for Wind Turbine Tower Elevators	13 NCAC 15.0208	Jill Cramer	919-733-0844	Adopt	No	S	-	-			
Device	Adoption of the American Society of Mechanical Engineers A17.8-2016 Safety Standards for the inspection of wind turbine elevators. NC Elevator Act requires inspection of elevators, including elevators within wind turbines.											
Department of	Natural and Cultural Resource	S										
Natural Heritage Program	Natural Heritage Program Fees; Inventory Data, Environmental Services, And Data	07 NCAC 13H .0404	Joshua Davis	919-807-7277	Adopt	No	S	-	-			
	If approved, this rule is anticipated to become effective July 1, 2018. It establishes fees to defray the costs associated with customized environmental review services and an online interface for Natural Heritage Program data, as authorized by § 143B-135.272. It is anticipated to produce a relatively small net benefit to state government.											

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	Rule Title and Description		Co	ontact				Impac	cts			
Division		NCAC Citation(s)	Name	Phone	Rule Action	Federally Required	S/	L/	SE/			
Department of	State Treasurer											
TSERS and LGERS Boards of the	Most rules in the Chapter to be readopted or amended	Title 20, Chapter 2	Laura Rowe	919-814-3851	Adopt and Amend	No	U	U	U			
Retirement Systems Division	These rules will be readopted and/or amended to conform to current processes and statutory requirements as needed. It is anticipated that a fiscal note maybe be required in this process; however, the extent of any impacts is not yet known.											
Wildlife Resour	cces Commission											
NCWRC	Local Water Safety Regulations	15A NCAC 10F .0300	Betsy Haywood	919-707-0013	Amend	No	S	L	-			
	Proposed amendments will shift replacement of missing or damage approximately \$590 annually in r	ged markers is approximately	y \$10,000. Becaus						wide			
NCWRC	Game Lands Regulations	15A NCAC 10D .0100	Carrie Ruhlman	919-707-0011	Amend	No	S	-	-			
	Multiple modifications to include use of vessels, establishment of new game lands, target shooting, fishing, permit requirements, and administrative changes.											
NCWRC	Wildlife Captivity and Rehabilitation	15A NCAC 10H .1400	Carrie Ruhlman	919-707-0011	Adopt	No	S	U	U			
	Rewrites 10H .0300 to comply with legislative changes. Clarifies language and requirements for wildlife rehabilitation and general captivity.											
NCWRC	Inland Fishing Regulations	15A NCAC 10C	Carrie Ruhlman	919-707-0011	Amend	No	U	U	-			
	Modify size and/or creel limits; Modifies list of waters designated as Public Mountain Trout Waters to further classifications: Hatchery Supported, Delayed Harvest or Wild Trout											
NCWRC	Wildlife Management Regulations	15A NCAC 10B	Carrie Ruhlman	919-707-0011	Amend	No	U	U	U			
	Amend hunting and trapping sea	isons.										
NCWRC	Local Water Safety Regulations	15A NCAC 10F .0377	Betsy Haywood	919-707-0013	Amend	No	-	L	-			
	N/A											
NCWRC	Local Water Safety Regulations	15A NCAC 10F .0320	Betsy Haywood	919-707-0013	Amend	No	-	L	-			
	N/A											

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			C	ontact	_	Impacts			
Division	Rule Title and Description	NCAC Citation(s)	Name	Phone	Rule Action	Federally Required	S/	L/	SE/
NCWRC	Local Water Safety Regulations	15A NCAC 10F .0305	Betsy Haywood	919-707-0013	Amend	No	S	-	-
	N/A								
NCWRC	Local Water Safety Regulations	15A NCAC 10F .0350	Betsy Haywood	919-707-0013	Amend	No	S	-	-
	N/A								
NCWRC	Local Water Safety Regulations	15A NCAC 10F .0325	Betsy Haywood	919-707-0013	Amend	No	-	L	-
	N/A								
NCWRC	Local Water Safety Regulations	15A NCAC 10F .0338	Betsy Haywood	919-707-0013	Amend	No	-	L	-
	N/A								

^{*} S = State Impact, L = Local Impact, SE = Substantial Economic Impact of \$1,000,000 or greater in a 12-months period, U = Impact Unknown.

Table 7. Rules with Estimated Local Governments Adopted Between July 1, 2016 and June 30, 2017

,					Estimated Impact on Local Government (thousands):*						
Agency, Division	Title of Rule Change	Citation(s)	Contact	Date Adopted	2016- 17	2017- 18	2018- 19	2019- 20	2020- 21		
Department of E	nvironmental Quality										
Water Resources	Catawba River Basin, Lake James Classification Startup Shutdown	15A NCAC 02B .0308 15A NCAC 02D .0535,	Jucilene Hoffman Joelle	5/11/17	\$14	\$0	\$0	\$0	\$0		
Air Quality	Malfunction	.0545	Burleson	7/31/16	Unquantif	ied costs an	d benefits -	net impact	unknown		
Coastal Management	Replacement of Commercial and Residential Structures on the Oceanfront	15A NCAC 7H .0306	Tancred Miller	11/30/16	·		nd benefits -	•			
Coastal Management	CAMA Planning and Management Grants	15A NCAC 7L .0101, .0102, .0503	Rachel Love-Adrick	4/26/17		Unqua	ntified net b	enefits			
Waste Management	UST standards and requirements	15A NCAC 02N; 02O	Andria Merritt	3/9/17	\$306	\$306	\$306	\$306	\$306		
		Total for Department of	of Environmen	tal Quality:	\$320	\$306	\$306	\$306	\$306		
Department of H Child Development	Readoption - Child Care Center and Home rules	10A NCAC 09	Dedra Alston	6/27/17	\$0	\$2,804	\$569	\$579	\$588		
Health Service Regulation	OEMS Readoption	10A NCAC 13P - chapter	Nadine Pfeiffer	11/4/16	\$58	-\$46	-\$46	-\$46	-\$46		
Health Service Regulation	EMS Provider License Requirements	10A NCAC 13P .0204	Nadine Pfeiffer	2/10/17	\$0	\$0	\$0	\$0	\$0		
Public Health	Zika Reporting	10A NCAC 41A .0101	Bob Martin	8/11/16	\$3	\$0	\$0	\$0	\$(
Public Health	Private Wastewater (Septic Tanks) - Engineer Option Permit	15A NCAC 18A .1971	Trish Angoli	2/8/17	\$70	\$108	\$ 153	\$238	\$243		
Social Services	Foster Care Eligibility, Expand Adoption Assistance, Guardianship Assistance Program	10A NCAC 70P .0101; .0102; .0103; .0104; .0105; 10A NCAC 70B .0102; 10A NCAC 70M .0402	Carlotta Dixon	11/9/16	\$424	\$1,082	\$1,818	\$2,576	\$(
Social Services	Appeal Procedures for License Action for Care Facilities	10A NCAC 70L .0301	Carlotta Dixon	2/2/17		Unqu	antified net	costs			

^{*} Note that positive values are net costs to local governments and negative values are net benefits. The table does not present unquantified costs and benefits.

III. Rules with Estimated Local Government Impact Adopted in SFY 2016-2017

4				Date	Estimated Impact on Local Government (thousands):*				
Agency, Division	Title of Rule Change	Citation(s)	Contact	Adopted	2016- 17	2017- 18	2018- 19	2019- 20	2020- 21
	Normalcy for foster care		Carlotta						
Social Services	children	10A NCAC 70I .0308	Dixon	6/19/17	\$31	\$32	\$34	\$35	\$37
		10A NCAC 26C .0701,	Denise						
MHDDSAS	County Disengagement	.0702, .0703	Baker	12/20/16	Unquantif	ied costs an	d benefits -	net impact	unknown
		10A NCAC 27G .6702;	ъ :						
MIDDEAC	E	10A NCAC 27H .0201-	Denise Baker	11 /17 /17	\$400	¢400	¢ 117	# 424	# 0
MHDDSAS	Forensic Evaluator	.0207 Fotal for Department of He		11/17/16	\$400 \$986	\$409 \$4,389	\$417 \$2,944	\$424 \$3,806	\$0 \$821
		total for Department of Fig.	cattii and Huma	iii services.	\$ 200	Φ4,30 7	Φ 2,944	\$3,600	Φ021
Department of N	Natural and Cultural Resourc	es							
Historic	Historic Preservation Tax	07 NCAC 04R .0909,							
Preservation	Credit	.09180926	Joshua Davis	10/11/16	-\$300	-\$590	-\$870	-\$1,550	-\$1,120
		al for Department of Natur			-\$300	-\$590	-\$870	-\$1,550	-\$1,120
		•			<u> </u>	· ·			
Department of J	ustice								
Sheriffs' Education and									
Training	Education and Training		Diane						
Standards	standards for 2017	12 NCAC 10B .2005	Konopka	11/18/16	\$2,400	\$0	\$0	\$0	\$0
		Total	for Department	of Justice:	\$2,400	\$0	\$0	\$0	\$0
Department of I	Dovonuo								
•			W7'11'						
Property Tax Commission	Non-attorney	17 NCAC 11 .0216	William Peaslee	7/1/16		I I	:C-1		
Commission	Representation		or Department of	7/1/16		Unqu	antified net	COSTS	
		Total R	л Берагинен (or Revenue.					
Department of I	nsurance								
Building Code Council	2018 NC Energy Conservation Code and Energy Provisions of 2018 NC Residential Code		Barry Gupton	6/13/17	Unquantif	ied costs an	d benefits -	net impact	unknown
Industrial Commission	Electronic Filing Requirements	04 NCAC 10A .0108	Kendall Bourdon	12/20/16	1		ntified net b	•	
	1		Department of			1-1111			

^{*} Note that positive values are net costs to local governments and negative values are net benefits. The table does not present unquantified costs and benefits.

III. Rules with Estimated Local Government Impact Adopted in SFY 2016-2017

Agency,				Date	Esti	Estimated Impact on Local Governmen (thousands):*				
Division	Title of Rule Change	Citation(s)	Contact	Adopted	2016- 17	2017- 18	2018- 19	2019- 20	2020- 21	
Secretary of State										
Secretary of State	Lobbying Act Electronic Filing	18 NCAC 12 .0214	Ann Wall	5/17/17	Unquantified net benefits					
		·	Total for Secret	ary of State:						
Wildlife Resource	os Commission									
wilding Resource	No wake zone Chowan		Betsy							
WRC	County	15A NCAC 10F .0346	Haywood	8/25/16	\$2	\$0	\$0	\$0	\$0	
WRC	No Wake Zone Pender County	15A NCAC 10F .0321	Betsy Haywood	4/20/17	\$1	\$0	\$0	\$0	\$0	
WRC	Carteret County Town of Cedar Point No-wake zone	15A NCAC 10F .0330	Betsy Haywood	2/16/17	\$1	\$0	\$0	\$0	\$0	
WRC	Violator Compact	15A NCAC 10A .14010406	Carrie Ruhlman	2/16/17		Unquar	ntified net b	enefits		
WRC	Game Lands	15A NCAC 10D .0103	Carrie Ruhlman	2/16/17		•	ntified net b			
WRC	No Wake Zone Perquimans Yeopim Creek	15A NCAC 10F .0355	Betsy Haywood	4/20/17	\$3	\$0	\$0	\$0	\$0	
WRC	No Wake Zone Clay County	15A NCAC 10F .0308	Betsy Haywood	4/20/17	\$1	\$0	\$0	\$0	\$0	
WRC	No Wake Zone Pender County	15A NCAC 10F .0321	Betsy Haywood	4/20/17	\$2	\$0	\$0	\$0	\$0	
	•	Total for Wildli	,	ommission:	\$11	\$0	\$0	\$0	\$0	
		Total for ALL Agencies	(quantifiable in	npact only):	\$3,417	\$4,105	\$2,380	\$2,562	\$7	

^{*} Note that positive values are net costs to local governments and negative values are net benefits. The table does not present unquantified costs and benefits.