



2019

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 2019

[THIS PAGE INTENTIONALLY LEFT BLANK]

Background

On May 17, 1994, Governor James B. Hunt Jr. issued 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, 2019 – June 30, 2020

This section contains information on rules state agencies expect to adopt in SFY 2019-20 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-month 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, 2017 – June 30, 2018

The last section provides information on rules North Carolina agencies adopted in SFY 2017-18 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 2019-20, state agencies anticipate taking action on 59 different rule packages, based on reports submitted by more than 75 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 take action is higher than the number noted in this report. See Table 1 below for a breakdown by agency.

The 59 rule package actions agencies anticipate making in SFY 2019-20 is a smaller amount than the 75 actions agencies anticipated engaging in during the current fiscal year (SFY 2018-19), based on information presented in the [2018 NC Rules with Economic Impact Report](#). Approximately 86% of the 59 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 20% of the anticipated actions, and 5% include rule repeals (see Table 2).

Table 1. Number of Anticipated Rules with Economic Impact in SFY 2019-20

<i>Agency</i>	<i>Number of Rule Packages</i>	<i>Percentage of Total</i>
Department of Environmental Quality	28	47%
Department of Health and Human Services	13	22%
Wildlife Resources Commission	9	15%
Industrial Commission	4	7%
Department of State Treasurer	3	5%
Department of Justice	1	2%
Real Estate Commission	1	2%
Total Anticipated Rules	59	100%

Table 2. Number of Anticipated Rules by Type of Action

<i>Type of Impact</i>	<i>Number of Rule Packages</i>	<i>Percentage of Total</i>
Readopt	24	41%
Amend	23	39%
Adopt	7	12%
Adopt and Amend	2	3%
Adopt, Amend, and Repeal	2	3%
Repeal and Adopt	1	2%
Repeal and Amend	0	0%
Repeal	0	0%
Total Anticipated Rules	59	100%

The Department of Environmental Quality (DEQ) and Department of Health and Human Services (DHHS) anticipate carrying out the majority of the rulemaking in SFY 2019-20. Note that 17 of

the 28 DEQ actions and five of the 13 DHHS actions are readoptions of existing regulations, which are required for the agency to comply with the review of existing regulation provisions in [G.S. 150B-21.3A](#).

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 20, 2019), agencies are planning to readopt another 175 rule chapters, totaling 4,337 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 59 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 [G.S. 150B-21.4\(b1\)](#) as an aggregate economic impact of \$1 million or more over a 12-month period. In comparison to the estimates for the current fiscal year (see the [2018 NC Rules with Economic Impact Report](#)), agencies report a decrease in rules that might have an impact on state or local governments, and a small increase from seven to ten rules with substantial economic impact. Of the rules that will be readopted per [G.S. 150B-21.3A](#), seven will have state government impact, six 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*

<i>Type of Impact</i>	<i>Number of Rule Packages</i>	<i>Percentage of Total</i>
State Government	24	41%
Local Government	16	27%
Substantial Economic Impact	10	17%

* 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 2017-18, state agencies adopted 19 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 2017-2018 with Local Government Impact, by Agency

<i>Agency</i>	<i>Number of Rule Packages</i>	<i>Percentage of Total</i>
Wildlife Resources Commission	5	26%
Department of Health and Human Services	5	26%
Department of Environmental Quality	3	16%
Department of State Treasurer	2	11%
Industrial Commission	2	11%
Board of Barber Examiners	1	5%
Department of Justice	1	5%
Total Adopted Rules	19	100%

Table 5 below presents the estimated quantified impact on local governments over a five-year period resulting from the rules adopted in SFY 2017-18. The net present value of these quantified impacts on local governments is approximately \$70.7 million in welfare benefits (computed using a 7% discount rate, as mandated in [G.S. 150B-21.4\(b1\)](#) for fiscal note analyses). Note, these rule changes may result in additional costs and benefits to local governments during the next five years, however these impacts were difficult to quantify. 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 2017-2018, (in thousands of \$)*

<i>Agency</i>	<i>SFY</i> <i>2017- 18</i>	<i>SFY 2</i> <i>2018- 19</i>	<i>SFY 3</i> <i>2019- 20</i>	<i>SFY 4</i> <i>2020- 21</i>	<i>SFY 5</i> <i>2021- 22</i>
Department of Environmental Quality	\$0	-\$12	\$18	\$17	\$14
Department of Health and Human Services	\$430	\$370	\$364	-\$46,878	-\$46,878
Board of Barber Examiners	\$0	\$0	\$1	\$1	\$1
Department of Justice	\$0	\$2,400	\$0	\$0	\$0
Department of State Treasurer	Unquantified net costs				
Industrial Commission	Unquantified - net impact unknown				
Wildlife Resources Commission	\$0	-\$4	-\$14	-\$14	-\$14
Total Impact of Adopted Rules	\$430	\$2,755	\$370	-\$46,873	-\$46,876

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

II. Schedule of Anticipated Rules Actions in SFY 2019-2020

Table 6. Schedule of Anticipated Rule Actions between July 1, 2019 and June 30, 2020

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts		
			Name	Phone			State	Local	Substantial
Department of Environmental Quality									
Waste Management	Management Standards for Hazardous Waste Pharmaceuticals	15A NCAC 13A .0111	Jenny Patterson	336-767-0031	Amend	Yes	U	U	U
Amend rule to conform to federal requirements.									
Waste Management	E-Manifest User Rule	15A NCAC 13A .0101	Jenny Patterson	336-767-0031	Amend	Yes	U	U	U
Amend rule to conform to federal requirements.									
Waste Management	Voluntary Remedial Action Oversight by Registered Environmental Consultants	15A NCAC 13C Section .0301 - .0308	Kim Caulk	919-707-8350	Readopt	No	U	U	U
Readoption with amendments of 8 rules.									
Waste Management	General Requirements and Permits for Solid Waste Management Facilities	15A NCAC 13B Sections .0100 and .0200	Jessica Montie	919-707-8247	Readopt	No	U	U	U
Readoption with amendments of 11 rules.									
Waste Management	Treatment and Processing Facilities and Transfer Facilities	15A NCAC 13B Section .0300 and .0400	Jessica Montie	919-707-8247	Readopt	No	U	U	U
Readoption with amendments of 4 rules.									
Waste Management	Disposal Sites	15A NCAC 13B .0501 - .0510, .0562 - .0566	Jessica Montie	919-707-8247	Readopt	No	U	U	U
Readoption with amendments of 13 rules.									

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

II. Schedule of Anticipated Rules Actions in SFY 2019-2020

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts		
			Name	Phone			State	Local	Substantial
Waste Management	Construction and Demolition Landfills	15A NCAC 13B .0531 - .0545, .0547	Jessica Montie	919-707-8247	Readopt	No	U	U	U
	Readoption with amendments of 16 rules.								
Waste Management	Monitoring Requirements	15A NCAC 13B .0601 and .0602	Jessica Montie	919-707-8247	Readopt	No	U	U	U
	Readopting with amendments of 2 rules, propose to adopt new rule .0603								
Waste Management	Medical Waste Management	15A NCAC 13B Section .1200	Jessica Montie	919-707-8247	Readopt	No	U	U	U
	Readoption with amendments of 4 rules, repeal of 3 rules.								
Waste Management	Solid Waste Compost Facilities	15A NCAC 13B Section .1400	Jessica Montie	919-707-8247	Readopt	No	U	U	U
	Readoption with amendments of 9 rules.								
Waste Management	Standards for Special Treatment of Recycling and Resource Recovery Equipment and Facilities	15A NCAC 13B Section .1500	Jessica Montie	919-707-8247	Readopt	No	U	U	U
	Readoption with amendments of 14 rules, NOTE - these rules will be readopted by the Secretary of DEQ, NOT the EMC.								
Waste Management	Requirements for Municipal Solid Waste Landfill Facilities	15A NCAC 13B Section .1600	Jessica Montie	919-707-8247	Readopt	Yes	U	U	U
	Readoption with amendments of 25 rules. These rules implement federal regulation 40 CFR 258.								
Waste Management	Financial Assurance for Solid Waste Management Facilities	15A NCAC 13B Section .1800, .0546, .1111, and .1628	Jessica Montie	919-707-8247	Repeal and Adopt	Yes	U	U	U
	As part of readoption process, repealing financial assurance rules .0546, .1111, and .1628 to combine, amend, and adopt as one new Section .1800. These rules implement federal regulation 40 CFR 258.								

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

II. Schedule of Anticipated Rules Actions in SFY 2019-2020

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally	Impacts		
			Name	Phone		Required	State	Local	Substantial
Water Resources	Triennial Review of Groundwater Quality Standards	15A NCAC 02L .0202	Julie Ventaloro	919-707-9117	Amend	No	U	U	-
	Adopting standards for groundwater contaminants. No cost to state/local gov't anticipated. Possible minimal benefit to state/local gov'ts that own certain types of industrial facilities such as solid waste sites or underground storage tanks.								
Water Resources	Reclassification of Sandy Bottom Wetlands Area to Class "Unique Wetland"	15A NCAC 02B .0304	Julie Ventaloro	919-707-9117	Amend	Yes	-	-	-
	Petition for Rulemaking to add supplemental classification "UWL" to a wetlands area in Buncombe County. Do not anticipate any impacts on state or local gov't.								
Water Resources	Triennial Review of Surface Water Quality Standards	15A NCAC 02B .0100, .0200 and .0300	Julie Ventaloro	919-707-9117	Readopt	Yes	-	L	SE
	Clarifications, reorganization, deletion of outdated components, addressing EPA comments on Action Levels. Local impacts possible in form of additional costs to Publicly-Owned Treatment Works (POTWs) to comply with metals standards. Fiscal note has already been approved by OSBM.								
Water Resources	Nutrient Strategy Rules for Tar-Pamlico and Neuse River Basins	15A NCAC 02B .0200 and .0700	John Huisman	919-707-3677	Readopt	Yes	S	L	SE
	Updates to wastewater, new development, and nutrient offset rules. Fiscal note has already been approved by OSBM.								
Water Resources	Reclassification of a Segment of Lower Cape Fear River to remove "Sw"	15A NCAC 02B .0311	Julie Ventaloro	919-707-9117	Amend	Yes	-	-	-
	Petition for Rulemaking to remove "Sw" (Swamp Waters) classification in Lower Cape Fear River. Unknown at this point if petition will be accepted by EMC. Unlikely to have an impact on state/local gov'ts.								
Water Resources	Water Resources Development Grant Program	15A NCAC 02G .0100, .0200, .0300	Coley Cordeiro	919-707-9013	Amend	No	U	U	-

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

II. Schedule of Anticipated Rules Actions in SFY 2019-2020

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts		
			Name	Phone			State	Local	Substantial
	Updates to grant program rules to incorporate administrative guidelines. Minimal impact, if any, to state/local government.								
Water Resources	Waste Not Discharged to Surface Waters	15A NCAC 02T	Nathaniel Thornburg	919-707-3653	Amend	No	-	-	-
	Technical corrections to recently readopted set of rules. No impact anticipated.								
Water Resources	Reclaimed Water	15A NCAC 02U	Nathaniel Thornburg	919-707-3653	Amend	No	-	-	-
	Technical corrections to recently readopted set of rules. No impact anticipated.								
Water Resources	Water Use Registration and Allocation	15A NCAC 02E .0100, .0200, .0300, .0400	Linwood Peele	919-707-9024	Readopt	No	U	U	-
	Updates to current rules. Minimal impacts anticipated.								
Water Resources	Central Coastal Plain Capacity Use Area	15A NCAC 02E .0500	Nat Wilson	919-707-9032	Readopt	No	U	U	-
	Updates to current rules. Minimal impacts anticipated.								
Water Resources	Rules Governing Public Water Systems	15A NCAC 18C	Bob Midgette	919-707-9088	Readopt	Yes	S	L	-
	Clarifying rules, increasing flexibility to regulated community, incorporate current design standards. Fiscal note has already been approved by OSBM.								
Air Quality	Control of Emissions from Log Fumigation Operations	15A NCAC 02D .0546; 15A NCAC 02D .1104	Patrick Knowlson	919-707-8711	Adopt and Amend	No	S	U	SE
	To adopt a rule to control hazardous air pollutants and toxic air pollutants from log fumigation process. The impacts to the State include permitting, reviews of modeling, and compliance activities. There would be substantial impacts to log fumigation operation from purchasing land, limiting production, or installing control equipment.								
Air Quality	Revise Permit Fees	15A NCAC 02Q .0203	Patrick Knowlson	919-707-8711	Amend	No	S	L	U
	Update fee schedule as needed to provide appropriate funding for permitting and compliance activities.								
Energy, Mineral, and Land Resources	Watershed Rules	02B .0620-.624	Toby Vinson and Annette Lucas	919-707-9201	Readopt	No	-	-	-

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

II. Schedule of Anticipated Rules Actions in SFY 2019-2020

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally	Impacts		
			Name	Phone		Required	State	Local	Substantial
	These are the State Watershed Rules up for re adoption. No changes are anticipated that will result in any substantial impact to local or State Government.								
Energy, Mineral, and Land Resources	Sedimentation Control Rules	04A.0101 - .0504	Toby Vinson and Julie Coco	919-707-9201	Readopt	No	-	-	-
	These are the Sedimentation Control Rules up for re adoption. No changes are anticipated that will result in any substantial impact to local or State Government.								
Department of Health and Human Services									
DHSR	Hospital Medical Staff and Bylaws	10A NCAC 13B .3501-.3503, and .3701-.3708	Nadine Pfeiffer	919-855-3811	Readopt	Yes	S	L	-
	These rules are being re adopted following the periodic review and expiration of existing rules process. These rules have been identified as "Necessary With Substantive Public Interest." A subcommittee of the Medical Care Commission developed rule changes for re adoption due to the number of comments received during the periodic review process. Hospitals are non-profit, for-profit and governmentally owned and operated facilities located in urban and rural areas in the state. The Acute and Home Care Licensure & Certification Section of DHSR is responsible for licensing and regulating these providers. These rule changes will affect the internal operation of the regulated providers for compliance with the rules for the purpose of maintaining safe patient care. Therefore, state and local government will be impacted. It is anticipated there will be cost incurred to the Acute and Home Care Licensure & Certification Section for regulatory compliance activities. The amount of anticipated fiscal economic impact is unknown. None of these changes are predicted to be of a substantial fiscal impact.								
DHSR	OEMS Education	10A NCAC 13P .0101, .0102, .0501, .0502, .0507, .0508, .0510-.0512, .0601, .0602, .1505, and .1507	Nadine Pfeiffer	919-855-3811	Amend	No	S	L	U
	These rules will amend definitions and abbreviations for technical clarifications to the rules. In addition, the rules will be amended addressing EMS credentialing educational program standards that includes the process for initial credential application for individuals, maintenance of credentials through continuing education and renewal as well as reinstatement of lapsed credential, background checks, and EMS education program instructor's qualifications and renewal of the instructor. These changes effect either the EMS individual credentialed personnel, the EMS System (made up of local and county governments) and the OEMS in the DHSR. The amount of anticipated fiscal impact is unknown.								

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

II. Schedule of Anticipated Rules Actions in SFY 2019-2020

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally	Impacts		
			Name	Phone		Required	State	Local	Substantial
DHSR	Hospital Readoptions Phase 3	10A NCAC 13B .1902, .1915, .1918, .1925, .3001, .3101, .3110, .3204, .3205, .3302, .3303, .5412, and .5413	Nadine Pfeiffer	919-855-3811	Readopt	Yes	S	L	-
<p>These rules are being readopted following the periodic review and expiration of existing rules process. These rules have been identified as "Necessary With Substantive Public Interest." Hospitals are facilities licensed and operated by entities that may include county government agencies and for-profit and non-profit entities located in urban and rural areas in the State. The Acute and Home Care Licensure & Certification Section of DHSR is responsible for licensing and regulating these providers. These rules are still being drafted with stakeholder input. These rule readoptions will update definitions, clarify licensure general requirements, update the requirements for transfer agreements and discharge of minors, clarify the patient's bill of rights and the procedure for informing a patient their rights, and address inconsistencies between the rule and federal requirements for brain injury and spinal injury patients. In addition, the rule readoptions will address updates to rules for hospital-based Nursing Homes to match requirements in freestanding Nursing Home rules. Costs will be incurred by these rule changes that affect the licensed hospitals and hospitals with licensed nursing homes; therefore, local government impact will be impacted. It is anticipated there will be a state impact with a cost incurred to the Acute and Home Care Licensure & Certification Section for regulatory compliance activities. The amount of anticipated fiscal economic impact is unknown. None of these changes are predicted to be of a substantial fiscal impact.</p>									
DHSR	Ambulatory Surgical Center Construction	10A NCAC 13C .1401 - .1410	Nadine Pfeiffer	919-855-3811	Readopt	Yes	S	L	SE
<p>Five of these rules are being readopted following the periodic review and expiration of existing rules process having been identified as "Necessary With Substantive Public Interest," four rules are being amended and two are being repealed as they are no longer needed. These rule changes adopt the recommendation guidelines of the American Society of Healthcare Engineering's Facility Guidelines Institute (FGI) for ambulatory surgical center (ASC) facilities so licensed ASCs in NC will be designed and constructed in compliance with a national standard of practice, revise the process to submit and grant equivalencies to alternate design building requirements and functional variations, and to clarify regulatory conflict in the rules. Following the national standards will benefit the quality of physical plant safety provided to citizens of NC in these facilities. ASCs are facilities licensed and operated by entities that may include county government agencies, for-profit and non-profit entities, and hospital owned non-profit and for-profit entities located in urban and rural areas in the state. The Construction Section of DHSR is responsible for regulating the physical plant and construction aspect for these providers. Costs will be incurred by these rule changes affecting the physical plant construction standards for these facilities for the regulated providers; therefore, local government will be impacted. Costs for changes to regulatory activities for the Construction Section of DHSR will impact state government. The physical plant rule changes will entail the largest fiscal impact, as these regulations will reflect new construction FGI standards to be implemented in the ASC facilities. The fiscal impact is anticipated to be substantial due to the determinations of construction cost changes. The total amount of anticipated fiscal economic impact is unknown.</p>									

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

II. Schedule of Anticipated Rules Actions in SFY 2019-2020

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally	Impacts		
			Name	Phone		Required	State	Local	Substantial
DHSR	Adult Care Home/Family Care Home Readoptions - Phase 1	10A NCAC 13F .0203, .0207, .0214, .1206; 10A NCAC 13G .0214, .1207	Nadine Pfeiffer	919-855-3811	Readopt	No	S	-	-
<p>All six rules are being readopted following the periodic review and expiration of existing rules process having been identified as "Necessary With Substantive Public Interest," in Subchapters 10A NCAC 13F and 10A NCAC 13G. Of these readoptions, four rules are being amended with substantial changes and two are being repealed as they are no longer needed because the statute governs the criteria from those rules. Adult Care Homes and Family Care Homes are licensed long-term residential healthcare facilities operated by for-profit and non-profit entities that are located in urban and rural areas in the State. The Adult Care Licensure Section of DHSR is responsible for the licensure and regulatory oversight of licensed Adult Care Homes and licensed Family Care Homes. These rule readoptions are still being drafted with stakeholder input. These rule readoptions will update requirements for a change of licensee and the facility's advertising for services provided. Costs will be incurred by the licensed Adult Care Homes and Family Care Homes with these rule changes; however, since these homes have private entity ownership, no local government impact is anticipated. It is anticipated there will be a state impact with a cost incurred to the Adult Care Licensure Section for regulatory compliance activities. The amount of anticipated fiscal economic impact is unknown. None of these changes are predicted to be of a substantial fiscal impact.</p>									
DHSR	Adult Care Home/Family Care Home Readoptions - Phase 1.5	10A NCAC 13F .0202, .0204, .0208, .0209, .0212, .0213; 10A NCAC 13G .0202, .0204, .0207, .0208, .0209, .0212, .0213	Nadine Pfeiffer	919-855-3811	Readopt	No	S	-	U
<p>All 13 rules are being readopted following the periodic review and expiration of existing rules process having been identified as "Necessary With Substantive Public Interest," in Subchapters 10A NCAC 13F and 10A NCAC 13G. Adult Care Homes and Family Care Homes are licensed long-term residential healthcare facilities operated by for-profit and non-profit entities that are located in urban and rural areas in the State. The Adult Care Licensure Section of DHSR is responsible for the licensure and regulatory oversight of licensed Adult Care Homes and licensed Family Care Homes. These rule readoptions are still being drafted with stakeholder input. These rule readoptions will update requirements for the license, applying for a license to operate a facility not currently licensed, renewal of a license, change of license, license renewal, denial and revocation of a license, and appeal of licensure action. Costs will be incurred by the licensed Adult Care Homes and Family Care Homes with these rule changes; however, since these homes have private entity ownership, no local government impact is anticipated. It is anticipated there will be a state impact with a cost incurred to the Adult Care Licensure Section for regulatory compliance activities. The amount of anticipated fiscal economic impact is unknown. None of these changes are predicted to be of a substantial fiscal impact, but that impact is unknown.</p>									

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

II. Schedule of Anticipated Rules Actions in SFY 2019-2020

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts		
			Name	Phone			State	Local	Substantial
DHSR	Nursing Home Federal Regulation Update	10A NCAC 13D .2001, .2002, .2104, .2205, .2208, .2209, .2210, .2211, .2212, .2301, .2306, .2307, .2506, .2601, .2603, .2701, .2902, .3003, .3404	Nadine Pfeiffer	919-855-3811	Adopt, Amend, and Repeal	Yes	S	-	SE
<p>These rules are being amended due to updates in the federal regulations for Nursing Homes to align the rules with federal requirements at Title 42, Chapter 4, Subchapter G, Part 483, Requirements for States and Long-Term Care Facilities, Subpart B Requirements for Long Term Care Facilities. The purpose for the rule amendments is having all licensed nursing homes be held to the same or similar standards, incorporating federal regulations through the input of national experts, minimizing the need to update the rules as national standards evolve, and providing consistency in surveying licensed nursing homes. Nursing Homes are licensed long-term nursing healthcare facilities operated by for-profit, non-profit and state-owned entities located in urban and rural areas in the State. The Nursing Home Licensure and Certification Section of DHSR is responsible for the licensure and regulatory oversight of licensed Nursing Homes. These rule amendments are still being drafted with stakeholder input. These rule amendments will update the definitions and adopt a rule to incorporate the federal requirements by reference. In addition, amendments will be made to requirements for licensure renewal or changes, discharge of patients, emergency preparedness, infection control, reporting and investigating abuse, personnel standards, quality assurance committee, patient assessment and plan of care, pharmacy services and medication self-administration, dental care and services, ventilator dependent patients, administrative responsibilities, provision of nutrition and dietetic services, pets and telephone access. Because these rule changes will align with the updated federal CMS requirements for Nursing Homes, costs will not be incurred by the 426 Medicare/Medicaid certified licensed Nursing Homes because they have been mandated to be in compliance with these requirements. However, costs will be incurred by the nine licensed non-Medicare/Medicaid certified Nursing Homes to implement these rule changes for compliance with the updated federal regulations. It is anticipated there will be a state impact with a cost incurred to the Nursing Home Licensure and Certification Section for regulatory compliance activities and to the state-owned Nursing Homes. No local government impact is anticipated. These changes are predicted to be of a substantial fiscal impact; however, the amount of fiscal impact is unknown.</p>									
DHSR	Exemptions from Prohibitions of Self-Referrals Readoptions	10A NCAC 14G .0101-.0104	Nadine Pfeiffer	919-855-3811	Readopt	No	S	-	-

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

II. Schedule of Anticipated Rules Actions in SFY 2019-2020

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally	Impacts		
			Name	Phone		Required	State	Local	Substantial
	<p>All 4 rules are being readopted following the periodic review and expiration of existing rules process having been identified as "Necessary With Substantive Public Interest," in Subchapter 10A NCAC 14G. Of these readoptions, one rule is being amended with substantial changes and three are being repealed as they are no longer needed because the amended rule will incorporate all the statutory requirements for application for a self-referral exemption. Health care providers are defined as any person, pursuant to Chapter 90 of the General Statutes, is licensed, or otherwise registered or certified to engage in the practice of medicine, dentistry, optometry, osteopathy, chiropractic, nursing, podiatry, psychology, physical therapy, occupational therapy or speech and language pathology and audiology that are located in urban and rural areas in the State. These rule readoptions are still being drafted. Costs may be incurred by the licensed provider in submitting the application; however, the cost is anticipated to be minimal with the rule changes. Since the private entity licensed providers have for-profit ownership, no local government impact is anticipated. The Certificate of Need Section of DHHS would be responsible for the approval of an exemption from prohibitions of self-referrals application. Since these rules were first enacted in 1995, there have been 0 exemption self-referral applications submitted to DHHS. Should an application be received, there would be a state impact with a cost incurred to the Certificate of Need Section for review and approval of the application; however, the impact is anticipated to be minimal since it is unlikely for the Certificate of Need Section to receive an application based on historical data. None of these changes are predicted to be of a substantial fiscal impact.</p>								
DPH	Blood and Breath Alcohol Test Regulations; Alcohol Screening Test Devices	10A NCAC 41B .0201-.0209; .0320-.0323; .0503	Fritz LeBarge	(919) 707-5253	Amend	No	S	-	SE
	<p>Anticipated amendments would remove an obsolete breath testing instrument and add a new breath testing instrument as well as add several new screening test devices.</p>								
DPH	Newborn Screening for Critical Congenital Heart Defects	10A NCAC 43K .0103	Marcia Fort	(919) 707-5630	Amend	No	S	-	-
	<p>Anticipated amendment makes changes to the critical congenital heart defects reporting process and requirements. It is expected to have a small impact on the state and private sector that does not rise to the level of a substantial economic impact.</p>								
DPH	Clinical Chemistry / Newborn Screening	10A NCAC 42B .0102	Virginia Niehaus	(919) 707-5006	Amend	No	U	-	-
	<p>Anticipated amendment required by SL 2018-5 to allow conditions added to the Recommended Uniform Screening Panel at the federal level to be included in the Newborn Screening program and to increase the screening fee to offset the cost.</p>								
DPH	Sanitation of Child Care Centers	15A NCAC 18A .2816; 2834	Ed Norman	(919) 707-5951	Amend	No	-	L	U
	<p>Anticipated amendment to require licensed child care center to test water outlets used for drinking or food preparation for lead and abate identified hazards.</p>								

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

II. Schedule of Anticipated Rules Actions in SFY 2019-2020

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts		
			Name	Phone			State	Local	Substantial
Social Services Commission	Regional Departments of Social Services Financial Obligations of Counties	10A NCAC 67A .0301	Paris Penny	919-855-4805	Adopt	No	S	L	SE
House Bill 630 (Session Law 2017-41), Rylan's Law/Family/Child Protection & Accountability Act requires the Department of Health and Human Services (DHHS) to establish a regional system for supervision of county departments of social services to improve accountability and state oversight of social services programs. Specific emphasis is placed upon improving outcomes for families and children involved with child welfare services.									
Industrial Commission									
n/a	11 NCAC 23A	23A - Workers' Compensation Rules	Ashley Snyder	(919) 807-2524	Amend	No	U	U	U
On its own initiative, the Industrial Commission conducted an internal review of its rules and sought informal stakeholder feedback, leading to rule adoptions and amendments in FY 2018-19. It is possible there will be additional rulemaking in Subchapter 23A for rules requiring additional stakeholder input.									
n/a	11 NCAC 23B	23B - Tort Claims Rules	Ashley Snyder	(919) 807-2524	Adopt and Amend	No	U	U	U
On its own initiative, the Industrial Commission conducted an internal review of its rules governing State tort claims, leading to rule adoptions and amendments in FY 2018-19. It is possible there will be additional rulemaking in Subchapter 23B to make revisions and updates as necessary.									
n/a	11 NCAC 23L	23L - Industrial Commission Forms	Ashley Snyder	(919) 807-2524	Adopt	No	U	U	U
It is possible some existing Industrial Commission forms not currently in rules may undergo substantive revisions, which would require their adoption as rules in Subchapter 10L.									
n/a	11 NCAC 23	11 NCAC 23 - All subchapters	Ashley Snyder	(919) 807-2524	Amend	No	U	U	U
The Commission is in the process of procuring a Case Management System. The Commission's rules will need to be updated as necessary to reflect changes in filing requirements and other changes related to the implementation of a Case Management System.									
Department of Justice									
Sheriffs' Standards	Minimum Training Requirements	12NCAC 10B .2005	Diane Konopka	919-662-4375	Amend	No	S	L	SE
Sheriffs' Commission rules have required annual in-service training for active officers since 2006, however, the topics change each year thereby requiring an amendment to this rule each year.									

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

II. Schedule of Anticipated Rules Actions in SFY 2019-2020

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts		
			Name	Phone			State	Local	Substantial
Real Estate Commission									
n/a	ADVERTISING	21 NCAC 58A .0105	Melissa Vuotto	919-875-3700	Amend	No	-	-	SE
	Amend this Rule to require the name of the firm or sole proprietorship with which the broker or team is affiliated be at least the same size as the broker's name in advertising. Based on public comments, the Commission believes this amendment will have an economic impact of \$1,000,000 or greater in a 12-month period.								
Department of State Treasurer									
TSERS and LGERS Boards	Contribution Based Benefit Cap Report to Employers	20 NCAC 2B .0406 20 NCAC 2C .0406	Laura Rowe	919-814-3851	Adopt	No	S	L	U
	Sets forth the process by which the LGERS and TSERS Boards through the Retirement Systems Division of the Department of State Treasurer will generate monthly reports to employers listing employees that are most likely to require additional contributions should the member(s) elect to retire within the 12 months following the month in which the report is issued. State impacts include costs in generating and providing the report; local impacts include staff reviewing the reports, unsure at this time if rules will have substantial economic impacts.								
Local Government Commission	Finance Officer Training	Title 20, Chapter 3	Laura Rowe	919-814-3851	Adopt	No	U	L	U
	Establish requirements for the training authorized by G.S. 159-25(d), related to the powers, duties, and responsibilities of a finance officer. Local impacts may include costs (if any) in complying with the training requirements, staff time to attend the training, and costs in generating and providing the proof of compliance. Possible State impact of time and costs spent to develop or deliver the training (if UNC system or Community College System involved), and possible revenues to those same groups if fees are paid for the training. Unknown at this time if rules will have substantial economic impact.								
Financial Operations Division / State and Local Government Finance Division	Collateralization of Deposits	Title 20, Chapter 7	Laura Rowe	919-814-3851	Adopt, Amend, and Repeal	No	-	-	U
	Modifies the manner in which depositories collateralize the uninsured balance of public funds placed on deposit by any of the following: the State Treasurer; any local governmental unit; any city or county school administrative unit; any community college; any local ABC board; any university depositing moneys pursuant to G.S. § 116-36(h); and the State Bar of North Carolina. For purposes of this schedule, "public funds" means funds required by law to be collateralized in accordance with Title 20, Chapter 07 of the North Carolina Administrative Code.								
Wildlife Resources Commission									

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

II. Schedule of Anticipated Rules Actions in SFY 2019-2020

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally	Impacts		
			Name	Phone		Required	State	Local	Substantial
Regulated Activities	Captivity and Rehabilitation	15A NCAC 10H .1400	Carrie Ruhlman	919-707-0011	Adopt	No	S	U	-
	Proposed rules will replace current 10H .0300 rules (all set to expire January 1, 2020) for wildlife held in long term captivity and for rehabilitation. Additional program requirements will have a state impact.								
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	Inland Fishing Regulations	15A NCAC 10C	Carrie Ruhlman	919-707-0011	Amend	No	U	U	-
	Modify size and/or creel limits; Modify list of waters designated as Public Mountain Trout Waters to further classifications: Hatchery Supported, Delayed Harvest or Wild Trout								
NCWRC	Jurisdiction of Agencies: Classification of Waters	15A NCAC 10C .0401 - .0407	Carrie Ruhlman	919-707-0011	Readopt	No	S	L	-
	Revise regulations for nongame fishes as part of the periodic review of rules.								
NCWRC	Wildlife Management Regulations	15A NCAC 10B	Carrie Ruhlman	919-707-0011	Amend	No	U	U	-
	Amend hunting and trapping seasons.								
NCWRC	Local Water Safety Regulations - Carteret Co.	15A NCAC 10F .0330	Carrie Ruhlman	919-707-0011	Amend	No	S	L	-
	Carteret Co. or the State Ports Authority will purchase two buoys and a CAMA permit for a NWZ at the northern end of the Port of Morehead City at Calico Ck. at a cost of approximately \$2,400.								
NCWRC	License Fees	15A NCAC 10A .0106	Carrie Ruhlman	919-707-0011	Adopt	No	S	-	SE
	Establish fees for licenses WRC issues and administers in Rule and increase by the average of the CPI-U since the last fee increase.								
NCWRC	Controlled Fox Hunting Preserves	15A NCAC 10H .1200	Carrie Ruhlman	919-707-0011	Amend	No	S	U	U
	Amend rules pertaining to licensing and operation of CFHPs. Modified requirements may have a state impact.								

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

II. Schedule of Anticipated Rules Actions in SFY 2019-2020

<i>Division</i>	<i>Rule Title and Description</i>	<i>NCAC Citation(s)</i>	<i>Contact</i>		<i>Rule Action</i>	<i>Federally Required</i>	<i>Impacts</i>		
			<i>Name</i>	<i>Phone</i>			<i>State</i>	<i>Local</i>	<i>Substantial</i>
NCWRC	Wildlife Conservation Land Program	15A NCAC	Carrie Ruhlman	919-707-0011	Adopt	No	S	L	U
Pursuant to SL 2018-95, likely will include rules on criteria for qualifying for the WCLP qualification, inspection criteria, and definitions.									

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

III. Rules with Estimated Local Government Impact Adopted in SFY 2017-2018

Table 7. Rules with Estimated Local Governments Adopted Between July 1, 2017 and June 30, 2018

Agency, Division	Title of Rule Change	Citation(s)	Contact	Date Adopted	Estimated Impact on Local Government (thousands):*				
					2017- 18	2018- 19	2019- 20	2020- 21	2021- 22
Department of Environmental Quality									
DWM	Hazardous Waste Generator Improvements	15A NCAC 13A .0101-.0114 and .0116-.0119	Jenny Patterson	1/11/18	\$0	-\$12	\$18	\$17	\$14
DMS	O2R Compensatory Mitigation Ecosystem Enhancement Program	15A NCAC 02R .0101-.0102; .0201-.0203; .0301-.0302; .0402-.0403; .0601-.0602	Kelly Williams and Jim Stanfill	2/15/18			Unquantified		
DAQ	Amendment and Readoption of Inspection & Maintenance (I&M) Program	15A NCAC 02D .1001-.1010	Patrick Knowlson	5/10/18			Unquantified		
Total for Department of Environmental Quality:					\$0	-\$12	\$18	\$17	\$14
Department of Health and Human Services									
DCDEE	Subsidized Child Care - Sanctions	10A NCAC 10 .0308, .0309, .0313, .0602, .0702	Rachel Kaplan	10/17/17			Unquantified		
DHSR	Community Paramedicine	10A NCAC 13P .0102, .0201, .0222, .0301, .0505, .0506, .0904, .1502, .1505	Nadine Pfeiffer	5/10/18	\$0	\$7	\$0	\$0	\$0
DHSR	OEMS Ambulance Standards	10A NCAC 13P .0224, .0410	Nadine Pfeiffer	11/3/17	\$364	\$364	\$364	\$364	\$364
DMA	DMA Readoptions - Appeals Procedure	10A NCAC 22H .0101-.0105; .0201-.0205; .0301-.0305	Virginia Niehaus	5/29/18	\$0.0	-\$0.4	-\$0.4	-\$0.4	-\$0.4
DPH	WIC EBT	10A NCAC 43D .0202, .0203, .0703, .0707 .0708	Tysha Gray	8/9/17	\$66	\$0	\$0	-\$47,242	-\$47,242
Total for Department of Health and Human Services:					\$430	\$370	\$364	-\$46,878	-\$46,878

* 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 2017-2018

Agency, Division	Title of Rule Change	Citation(s)	Contact	Date Adopted	Estimated Impact on Local Government (thousands):*				
					2017- 18	2018- 19	2019- 20	2020- 21	2021- 22
Board of Barber Examiners									
n/a	Online License Renewal	21 NCAC 06N .0101	Dennis Seavers	11/15/17	\$0	\$0	\$1	\$1	\$1
Total for Board of Barber Examiners:					\$0	\$0	\$1	\$1	\$1
Department of Justice									
Sheriffs' Education and Training Standards Commission	Sheriff Training Standards 2019	12 NCAC 10B .2005	Diane Konopka	9/15/17	\$0	\$2,400	\$0	\$0	\$0
Total for Department of Justice:					\$0	\$2,400	\$0	\$0	\$0
Department of State Treasurer									
Local Government Commission	Exemption from Certification of Electronic Transactions	20 NCAC 03 .0409, .0410	Laura Rowe	11/1/17			Unquantified		
TSERS/LGERS	Pension Spiking	20 NCAC 02C .0405	Sam Watts	5/1/18			Unquantified		
Total for Department of State Treasurer:									
Industrial Commission									
n/a	Rules for the Utilization of Opioids, Related Prescriptions, and Pain Management Treatment in Workers' Compensation Claims	11 NCAC 23M .0101 - .0501	Ashley Snyder	3/20/18			Unquantified		
n/a	Ambulatory Surgical Center Fee Schedule	04 NCAC 10J .0103	Ashley Snyder	9/18/17			Unquantified		
Total for Industrial Commission:									

* 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 2017-2018

Agency, Division	Title of Rule Change	Citation(s)	Contact	Date Adopted	Estimated Impact on Local Government (thousands):*				
					2017- 18	2018- 19	2019- 20	2020- 21	2021- 22
Wildlife Resources Commission									
n/a	No Wake Zone Various Readoptions (25)	15A NCAC 10F .0300	Carrie Ruhlman	4/26/18	\$0	-\$14	-\$14	-\$14	-\$14
n/a	Game Land Regulations	15A NCAC 10D .0100	Carrie Ruhlman	2/28/18	\$0	\$10	\$0	\$0	\$0
n/a	Bear	15A NCAC 10B .0202	Carrie Ruhlman	2/28/18			Unquantified		
n/a	Deer	15A NCAC 10B .0203	Carrie Ruhlman	2/28/18			Unquantified		
n/a	Endangered Species	15A NCAC 10I .0103, .0104, .0105	Carrie Ruhlman	7/27/17			Unquantified		
Total for Wildlife Resources Commission:					\$0	-\$4	-\$14	-\$14	-\$14
Total for ALL Agencies (quantifiable impact only):					\$430	\$2,755	\$370	-\$46,873	-\$46,876

* 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.