



*State Budget &
Management*

2016 North Carolina Rules with Economic Impact

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

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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 some 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, 2016 – June 30, 2017

This section contains information on rules state agencies expect to adopt in SFY 2016-17 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, 2014 – June 30, 2015

The last section provides information on rules North Carolina agencies adopted in SFY 2014-15 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 2016-17, state agencies anticipate taking action on 53 different rule packages,¹ based on reports submitted by more than 95 percent of agencies. See Table 1 below for a breakdown by agency. This is a slightly smaller number than the 56 actions agencies anticipated engaging in during the current fiscal year (SFY 2015-16), based on information presented in the [2015 NC Rules with Economic Impact Report](#). Close to three quarters of the 53 anticipated rule actions with economic impact for the following year include an amendment to existing regulations, 43 percent include a new rule adoption, and 13 percent include rule repeals (see Table 2).

Table 1. Number of Anticipated Rules with Economic Impact in SFY 2016-17

<i>Agency</i>	<i>Number of Rules</i>	<i>Percentage of Total</i>
Department of Health and Human Services	20	38%
Department of Environmental Quality	14	26%
Wildlife Resources Commission	6	11%
Office of State Human Resources	5	9%
Industrial Commission	3	6%
Department of Justice	2	4%
Department of Information Technology	1	2%
Department of Transportation	1	2%
Property Tax Commission	1	2%
Total Anticipated Rules	53	100%

Table 2. Number of Anticipated Rules by Type of Action*

<i>Type of Impact</i>	<i>Number of Rules</i>	<i>Percentage of Total</i>
Adoption	23	43%
Amendment	39	74%
Readoption	9**	17%
Repeal	7	13%

* The percentages above do not add up to 100% because anticipated rule actions may contain a combination of adoptions, amendments, and repeals.

** The 9 readoptions are all anticipated by the Department of Health and Human Services.

The Department of Health and Human Services (DHHS) and the Department of Environmental Quality anticipate carrying out the majority of the rulemaking in SFY 2016-17, with 20 and 14 rules actions, respectively. Note that nine of the 20 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](#) (all nine readoptions in Table 2 above are anticipated by DHHS).

¹ 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 the agencies plan taking action on is higher than the number noted above.

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 16, 2016), agencies are planning to readopt another 196 individual rules in the following fiscal year. Since agencies may still be in the planning stages for their readoption packages, they may not be able to state at this point how many of those rule readoptions would be more stringent and require a fiscal note in the upcoming year. Therefore, it is possible for the total number of rule actions with economic impact to be higher in the upcoming year than the 53 reported here.

Table 3 below presents the number of anticipated rule actions in the next fiscal year that agencies estimated would 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-months period. In comparison to the estimates for the current fiscal year (see the [2015 NC Rules with Economic Impact Report](#)), the statistics in Table 2 show a decrease in rules that might have an impact on state or local governments, and only a small increase from 10 to 12 rules with substantial economic 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 Rules</i>	<i>Percentage of Total Rules</i>
State Government	31	58%
Local Government	21	40%
Substantial Economic Impact	12	23%

* Note the percentages above do not add up to 100% because rules may have more than one type of impact (see Table 5 below for details). Also, unknown impacts (“U” in Table 5) are not included in this table.

In SFY 2014-15, state agencies adopted thirteen 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 2014-2015 with Local Government Impact, by Agency

<i>Agency</i>	<i>Number of Rules</i>	<i>Percentage of Total</i>
Department of Commerce	1	8%
Department of Environmental Quality	6	46%
Department of Health and Human Services	2	15%
Department of Justice	1	8%
Wildlife Resources Commission	3	23%
Total Adopted Rules	13	100%

Table 5 below presents the estimated impact on local governments over a five-year period resulting from the rules adopted in SFY 2014-15. The net present value of these impacts on local governments is close to \$6 million in welfare costs (computed using a 7% discount rate, as mandated in [G.S. 150B-21.4\(b1\)](#) for fiscal note analyses). Note there may be additional unquantified costs and benefits to local governments during the next five years as a result of these rule changes that are not

presented in Table 5. 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 2014-2015, (in thousands of \$)*

<i>Agency</i>	<i>SFY 2014- 15</i>	<i>SFY 2015- 16</i>	<i>SFY 2016- 17</i>	<i>SFY 2017- 18</i>	<i>SFY 2018- 19</i>
Department of Commerce	\$0	\$0	\$0	\$0	\$0
Department of Environmental Quality	-\$108	-\$19	-\$169	-\$1,309	-\$5,559
Department of Health and Human Services	\$0	-\$78	-\$78	-\$80	-\$80
Department of Justice	-\$55	-\$55	\$0	\$0	\$0
Wildlife Resources Commission	-\$1	-\$4	\$0	\$0	\$0
Total Impact of Adopted Rules	-\$164	-\$156	-\$247	-\$1,389	-\$5,639

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

II. Schedule of Anticipated Rules Actions in SFY 2016-2017

Table 6. Schedule of Anticipated Rule Actions between July 1, 2016 and June 30, 2017

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:*		
			Name	Phone			S/	L/	SE
Department of Environmental Quality									
Division of Air Quality	Startup, Shutdown, Malfunction Plan Rule Revisions	15A NCAC 02D .0535	Glenn Sappie	919-707-8705	Amend	Yes	U	U	-
	Revisions to address the EPA state implementation plan (SIP) affect rule 02D .0535, Excess Emissions Reporting and Malfunctions. The Division anticipates potential revisions to remove emission limit exemptions during periods of startup, shutdown, and malfunction, to create work practice standards for startup and shutdown and evaluate possibility of such standards for malfunctions. The Division may amend a few other rules with similar provisions to ensure consistency with the changes. For additional information, see http://ncair.org/Calendar/Planning/January2016AQC/Agenda_5.pdf . This rulemaking is currently underway, but the agency might not adopt the change until beginning of FY 2016-17.								
Division of Air Quality	Vehicle Inspection/Maintenance Rule Revisions	15A NCAC 02D .1000	Glenn Sappie	919-707-8705	Amend	No	S	-	U
	This rulemaking is tentative, pending legislative action on a final report required by S.L. 2013-413, section 26, which is due to the General Assembly by April 1, 2016. The agency may need to revise the rules in this section.								
Division of Air Quality	Sewage Sludge Incinerator (SSI) plan	15A NCAC 02D .1204	Glenn Sappie	919-707-8705	Amend	Yes	-	L	SE
	The agency anticipates updating existing state rules to reflect final updated federal requirements for Sewage Sludge Incinerators. There are 3-4 existing sources affected at publicly owned treatment works in NC. The impact from federal requirements, anticipated to be final and in place prior to state rule change, is substantial. One option under consideration is simply taking delegation of the federal requirement.								
Division of Coastal Management	State Guidelines for Land Use Planning	15A NCAC 07B	Mike Lopazanski	252-808-2808 ext. 223	Adopt, Amend, and Repeal	No	-	L	-
	The Coastal Resources Commission (CRC) proposed amendments to the CAMA Land Use Planning Program and the Planning & Management Grant Program. These amendments include: increased flexibility for plan content and format, clarification that updates and amendments that are voluntary, a new process option for CAMA Major Permit Review, streamlined plan approval, amendment, and update processes, and integrated planning efforts.								

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

II. Schedule of Anticipated Rules Actions in SFY 2016-2017

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:*		
			Name	Phone			S/	L/	SE
Division of Coastal Management	AECs Within Ocean Hazard Areas - Ocean Erodible AEC	15A NCAC 07H .0304	Mike Lopazanski	252-808-2808 ext. 223	Amend	No	S	L	-
	The Commission is proposing to amend the formula for calculating the width of the Ocean Erodible Area of Environmental Concern (AEC) for consistency with the setback factors in 15A NCAC 07H .0306 and to delete utilization of an outdated dune recession that is no longer necessary due to FEMA incorporation of dune recession into the National Flood Insurance V-Zones.								
Division of Coastal Management	General Use Standards for Ocean Hazard Areas	15A NCAC 07H .0305, .0306; 07J .1201, .1301-1303	Ken Richardson	252-808-2808 ext. 225	Amend	No	-	L	-
	The Commission is considering amending its rules to create procedures for requesting, approving, and managing an oceanfront Development Line, and establishes an alternative to the Static Vegetation Line Exception (15A NCAC 07J .1200) for oceanfront communities receiving a large scale beach fill project. Amendments to the General Use Standards for Ocean Hazard Areas (rule 07H .0306) and Static Vegetation Line Exception Procedures 15A NCAC 07J .1200 are proposed for the purpose of easing requirements by eliminating the mandatory 5-year waiting period and the 2,500 maximum square footage limit on structures.								
Division of Coastal Management	General Use Standards for Ocean Hazard Areas	15A NCAC 7H .0306	Tancred Miller	252-808-2808 ext. 224	Amend	No	-	U	SE
	CRC is considering rulemaking to grandfather certain multi-family residential structures on the oceanfront. Eligible properties are legal nonconforming, multifamily structures that contain three or more residential units within a single structure, that were originally constructed prior to August 11, 2009, and that are no larger than 10,000 combined square feet. The grandfathered multi-family structures will be subject to the same conditions already in place in 7H .0306 for single-family and duplex residential structures over 5,000 square feet. While there is no maximum size limit for grandfathered single-family or duplex residential structures, the commission established a 10,000 square foot maximum for multi-family residential structures that will be grandfathered.								
Division of Coastal Management	Temporary Erosion Control Structures	15A NCAC 07H .0308, .1704, .1705	Mike Lopazanski	252-808-2808 ext. 223	Amend	No	S	U	-
	The NC General Assembly has recently directed the CRC to amend its rules for the use of temporary erosion control structures (sandbags) (S.L. 2015-241). The legislation expands the use of sandbags by allowing the placement of temporary erosion control structures on a property that is experiencing coastal erosion even if there are no imminently threatened structures on the property and that is adjacent to a property where temporary erosion control structures have been placed. The change: 1) allows the placement of contiguous temporary erosion control structures from one shoreline boundary of a property to the other, regardless of proximity to an imminently threatened structure, and 2) makes the termination date of all permits on the same property be the latest termination date for any of the permits. The change also addressed the replacement, repair, or modification of damaged temporary erosion control structures that are either legally placed with a current permit or legally placed with an expired permit, when the status of the permit is being litigated by the property owner.								

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II. Schedule of Anticipated Rules Actions in SFY 2016-2017

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:*		
			Name	Phone			S/	L/	SE
Division of Coastal Management	Local Planning & Management Grants	15A NCAC 07L	Mike Lopazanski	252-808-2808 ext. 223	Repeal and Amend	No	-	L	-
	CRC is proposing amendments to the CAMA Land Use Planning Program and the Planning & Management Grant Program. These amendments include increased flexibility for plan content and format, clarification that updates and amendments are voluntary, a new process option for CAMA Major Permit Review, streamlined plan approval, amended and update processes, and integrated planning efforts.								
Division of Marine Fisheries	Permit for Weekend Trawling for Live Shrimp	15A NCAC 03J .0104; 03L .0102; 03O .0501, .0503	Catherine Blum	252-808-8014	Amend	No	S	-	-
	In accordance with the N.C. Shrimp Fishery Management Plan Amendment 1, proposed amendments provide an exception for a holder of a Permit for Weekend Trawling for Live Shrimp to take shrimp during weekends. New permits will be issued under this management change. While the impact is expected to be minimal, the state may incur very minor opportunity costs.								
Division of Marine Fisheries	Hard Clam Fishery Management Plan (FMP) Amendment 2/ Oyster FMP Amendment 4	15A NCAC 03K .0105, .0201, .0202, .0302; 03O .0114, .0201, .0208	Catherine Blum	252-808-8014	Amend	No	U	-	U
	The NC Marine Fisheries Commission will be selecting its preferred management strategies for these plans at its February 2016 meeting, for those selections to be forwarded to the department and legislature for review, followed by potential commission approval November 2016, with an intended effective date of April 2017. While costly options are unlikely to be chosen based on feedback from NCDMF staff, advisory committee members, and public comment, some management options presented in the Hard Clam FMP and Oyster FMP have the potential to lead to state or substantial impacts.								
Division of Marine Fisheries	Spiny Dogfish Permit	15A NCAC 03O .0114	Catherine Blum	252-808-8014	Amend	No	S	-	-
	Proposed amendments relocate a 2003 requirement for a permit for dealers transacting in spiny dogfish from proclamation into rule. While the impact is expected to be minimal, the rule change may lead to minor opportunity costs to the state.								
Division of Marine Fisheries	Clarification of License Requirements for Leaseholder Designees	15A NCAC 03O .0501	Catherine Blum	(252) 808-8014	Amend	No	S	-	-
	Proposed amendments specify an exemption from license requirements for certain designees of the holder of a Permit to Use Mechanical Methods for Shellfish on Shellfish Leases or Franchises as provided in G.S. 113-169.2. While the impact is expected to be minimal, there will likely be a minor decrease in license revenues to the state.								

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Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:*			
			Name	Phone			S/	L/	SE	
Division of Waste Management	Septage Management	15A NCAC 13B .0800	Ellen Lorscheider	(919)707-8245	Adopt	Yes	S	-	-	
	The agency is proposing the rule change to reduce the soil testing frequency at land application sites. This change should alleviate the need for unneeded trips to take soil samples, slightly reducing the need for state staff resources.									
Total Anticipated Rule Actions for Department of Environmental Quality :							14			
Department of Health and Human Services										
Division of Health Service Regulations	Transparency in Healthcare Costs Permanent Rules	10A NCAC 13B .2102; 13C .0206	Nadine Pfeiffer	919-855-3811	Amend	No	S	L	-	
	This rule package is for permanent rulemaking for temporary rules related to revisions in the Transparency in Health Care Costs Act. Hospitals and Ambulatory Surgical Facilities will now submit cost data annually for posting on the Department's website. The infrastructure for reporting has been established as the providers have been submitting data to the Department via the State Data Processor (Truven Health Analytics), but on a quarterly basis. The costs incurred for implementation of these rules are derived from all the licensed hospitals, licensed ambulatory surgical facilities, and DHSR staff due to staff time to collect and submit data, the contract with Truven Health Analytics to collect the data, and website maintenance to continue with annual reporting. There may be some lowered costs for providers and the agency due to the change to one time submission of the data, therefore the costs may be minimal.									
Division of Health Service Regulations	Quality Measures	10A NCAC 13B .3502; 13C .0301	Nadine Pfeiffer	919-855-3811	Amend	No	S	L	U	
	These rules will implement S.L. 2015-241 to establish and define no fewer than 10 quality measures for licensed hospitals and licensed ambulatory surgical facilities. No rule text has been developed for these rule amendments, however a stakeholder group will be convened to include members of the Medical Care Commission to draft the text. Currently, due to The Joint Commission, the Centers for Medicare & Medicaid Services (CMS), and other accrediting body regulations and requirements, licensed hospitals and licensed ambulatory surgical centers have been conducting quality improvement programs; however, there has never been a state requirement for quality measures. The licensed hospitals and licensed ambulatory surgical facilities may incur costs to develop and implement the specific quality measure activities required by rule, if they are not implemented already; therefore, a local impact is anticipated. DHSR staff would incur the cost for implementation of the program required by rule. The total amount of anticipated fiscal economic impact is unknown.									

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II. Schedule of Anticipated Rules Actions in SFY 2016-2017

<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>S/</i>	<i>L/</i>	<i>SE</i>
Division of Health Service Regulations	OEMS and Trauma rules	10A NCAC 13P .0101, .0102, .0201, .0203, .0204, .0209, .0214, .0216, .0219, .0221-.0223, .0301, .0302, .0403, .0409, .0501-.0504, .0506-.0508, .0510-.0513, .0601-.0603, .0605, .0901-.0905, .1101, .1102, .1401-.1403, .1405, .1502, .1505, .1507, .1510, .1511	Nadine Pfeiffer	919-855-3811	Readopt	No	S	L	U
<p>These rules will be a combination of 29 readoptions (4 rule repeals and 25 amendments), 7 adoptions, and 11 amendments to current rules. The rules will revise abbreviations and definitions to address adopting national EMS education, and credentialing levels and trauma criteria to be consistent with national standards. They will expand operational policies for EMS Systems, address licensure for EMS Providers with non-transport vehicles at the AEMT or paramedic levels, clarify weapons that are prohibited on permitted vehicles, require patients be transported by stretcher in a permitted ambulance and require disclosure for EMS providers for any criminal or civil offenses involving fiduciary issues. The rules update the educational programs for all credentialing levels to mirror the updated US DOT NHTSA EMS Educational guidelines, revise the NC credentialing levels to mirror national and state nomenclature for EMS credentials, clarify criteria for re-taking credentialing examinations and use of the EMS personnel in alternate practice settings under stand-alone medical oversight, waive the requirement for personnel currently required to undergo national criminal background checks. The rules consolidate three institutional levels of education into one comprehensive institution level. The trauma rules are amended to adopt the criteria of the American College of Surgeon's standards for Level I, II and II trauma center designations, revising the team compositions and renewal designation process. The management of the chemical dependency program is moved in house with OEMS to ensure complete confidentiality for those enrolled in the program. The enforcement authority sanctions have been expanded and revised. These changes effect the EMS individual credentialed personnel, the EMS System (made up of local and county governments) and OEMS; therefore, state and local government will be impacted, but the total impact is unknown at this time.</p>									

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Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:*		
			Name	Phone			S/	L/	SE
Division of Health Service Regulations	Jails	10A NCAC 14J .0101-.0103, .0201, .0203, .0204, .0301-.0303, .0402-.0405, .0501, .0601, .0702, .0705, .0904, .1001, .1002, .1201-.1203, .1207, .1210, .1212-.1215, .1218, .1219, .1225, .1226	Nadine Pfeiffer	919-855-3811	Readopt	No	S	L	SE
<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." The last time any of the rules in the Subchapter have been revised was 1993. The standards and practices that were appropriate in the 1990's are not the best, most current practices and many of these rules are in need of revision. The rule changes are still being drafted and per statute, a stakeholder group will be consulted on these rule changes. The readoptions will focus in the areas of definitions, the operations manual, classification and housing of inmates, fire safety, security requirements, supervision, sanitation and personal hygiene, menus, health care, and standards for new jail design and construction. The operation of the jail in each county is determined by the Sheriff of the county. The Construction Section of the DHSR regulates and inspects the Jails. These changes will affect the operations and construction standards of the jails, therefore state and local government will be impacted. It is also anticipated with the number of rule readoptions and due to construction standards being changed, these rules will have a substantial economic impact.</p>									
Division of Health Service Regulations	Home Care Rules	10A NCAC 13J .0901, .1004, .1007, .1110, .1202, .1402	Nadine Pfeiffer	919-855-3811	Readopt	No	S	L	U
<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." A stakeholder group will be consulted on the rule readoptions, however the rule changes have not been drafted. The readoptions will focus in the areas of definitions, agency evaluation, client rights and responsibilities, supervision and competency of aides, case review and plan of care, and the client record. Home care agencies are licensed and operated by private entities, which may include county government agencies. The Acute and Home Care Licensure & Certification Section of DHSR is responsible for licensing these providers. These rule changes will affect the operation of the agency for the regulated providers and the Acute and Home Care Licensure & Certification Section, therefore, state and local government will be impacted. None of these changes are predicted to be of a substantial economic impact. The amount of anticipated fiscal economic impact is unknown.</p>									

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Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:*		
			Name	Phone			S/	L/	SE
Division of Health Service Regulations	Radiation Protection Radioactive Materials Control Rules	10A NCAC 15 .0302, .0304, .0305, .0307-.0310, .0316, .0317, .0327-.0332, .0335, .0337, .0338, .0343, .0344, .0353-.0355, .0357, .0359, .0521, .1004, .1613, .1645, .1653	Nadine Pfeiffer	919-855-3811	Amend	Yes	S	L	SE
	NC has an agreement with the US Nuclear Regulatory Commission (NRC) with which the NRC relinquished regulatory control of the radioactive materials health and safety program to the state. Part of that agreement is that our regulations must be compatible with those of the NRC. The bulk of the proposed amendments are driven by the changes to the federal regulations for radioactive materials with which NC needs to comply. These rule changes are being drafted. The Radiation Protection Section of DHHS has regulatory oversight of licensed providers for radioactive materials. It is anticipated there will be state and local fiscal impact due to the providers regulated in those jurisdictions that will be effected by these changes, with the costs being of a substantial economic impact.								
Division of Medical Assistance	Good Cause For Delayed Hearings	10A NCAC 21A .0302	Sarah Pfau	919-855-4137	Readopt	No	U	U	U
	Program staff have determined that the amendment and readoption of this rule that controls local and State hearings, last amended 25 years ago, may yield a substantial economic impact.								
Division of Medical Assistance	Notice	10A NCAC 21A .0303	Sarah Pfau	919-855-4137	Readopt	Yes	U	U	U
	Program staff have determined that the amendment and readoption of this rule that controls local and State eligibility hearings, last amended 23 years ago, may yield a substantial economic impact.								
Division of Medical Assistance	Prevention	10A NCAC 22F .0104	Sarah Pfau	919-855-4137	Readopt	Yes	U	U	U
	Program staff have determined that the amendment and readoption of this rule, last amended 31 years ago, may yield a substantial economic impact.								
Division of Medical Assistance	Investigation	10A NCAC 22F .0302	Sarah Pfau	919-855-4137	Readopt	Yes	U	U	U
	Program staff have determined that the amendment and readoption of this rule that affects providers' rights, last amended 31 years ago, may yield a substantial economic impact.								
Division of Medical Assistance	Recoupment	10A NCAC 22F .0601	Sarah Pfau	919-855-4137	Readopt	Yes	U	U	U
	Program staff have determined that the amendment and readoption of this rule that affects providers' rights, last amended 31 years ago, may yield a substantial economic impact.								

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Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:*		
			Name	Phone			S/	L/	SE
Division of Medical Assistance	Provider Billing Of Patients Who Are Medicaid Recipients	10A NCAC 22J .0106	Sarah Pfau	919-855-4137	Readopt	Yes	U	U	U
	Program staff have determined that the amendment and re-adoption of this rule that affects providers' rights, last amended 21 years ago, may yield a substantial economic impact.								
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	Training and Registration and Period of Registration	10A NCAC 27H .0204, .0205	W. Denise Baker	919-733-7011	Amend	No	S	L	-
	The amendments will require forensic evaluators to participate in continuing education training resulting in costs associated with travel, materials, and staff. Also, the amendment will require the Local Management Entity-Managed Care Organizations (LME-MCOs) to maintain a list of forensic evaluators and implement a quality management mechanism.								
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	Hearing Schedule, Panel Composition, Procedures and Decision Findings, and Final Written Decision	10A NCAC 27I .0606-.0609	W. Denise Baker	919-733-7011	Amend	No	S	U	-
	The amendment eliminates the panel requirement now in place and replaces the panel with a hearing officer.								
Division of Public Health	Sewage Treatment And Disposal Systems	15A NCAC 18A .1900	Bob Martin	919-707-5179	Amend	No	S	L	U
	This rule package entails the re-organization of onsite sewage rules that also includes requirements from 2015 General Assembly Session, some of which may have opportunity costs for local environment health inspectors and state Environmental Health Section staff.								
Division of Public Health	Reportable Diseases And Conditions	10A NCAC 41A .0101	Bob Martin	919-707-5179	Amend	No	S	-	-
	The agency is amending the required laboratory reporting to add chronic Hepatitis C, which would result in minimal costs to laboratories and minimal opportunity costs for state Epidemiology staff.								
Division of Public Health	Reportable Diseases, Illnesses, And Injuries	10A NCAC 41C .0702	Bob Martin	919-707-5179	Amend	No	S	-	-
	The agency is amending the rule to add occupational carbon monoxide poisoning as required physician reporting, which would result in minimal costs to physicians and minimal opportunity costs to state Occupational and Environmental Epidemiology Branch staff.								

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

II. Schedule of Anticipated Rules Actions in SFY 2016-2017

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:*		
			Name	Phone			S/	L/	SE
Division of Public Health	Submission of Blood Specimens for Screening of Newborns	10A NCAC 43H .0314	Bob Martin	919-707-5179	Adopt	No	S	-	SE
	S.L. 2015-272 mandates newborn screening of every birth in NC for severe combined immunodeficiency (SCID). As stated in legislation, the cost of testing a SCID newborn who is not diagnosed until there is a serious infection can range from five hundred thousand dollars (\$500,000) to well over four million five hundred thousand dollars (\$4,500,000), while the cost of transplanting a SCID infant who is not sick is usually less than one hundred thousand dollars (\$100,000).								
Division of Social Services	Child Welfare	10A NCAC 70	Carlotta Dixon	919-527-6421	Adopt, Amend, and Repeal	Yes	S	L	U
	Federal Law and NC Session Law 2015-241, House Bill 97, sections 12C. .9, .8, .6, .4, requires changes to the current rules, which requires additional staff, additional funds at the state and county level, and additional licensing steps for providers.								
Division of Social Services	Community Services Block Grant Program	10A NCAC 97	Carlotta Dixon	919-527-6421	Adopt, Amend, and Repeal	Yes	S	L	SE
	Federal Law requires changes to the current rules, which will impact funding allocations for contracting entities who perform community services.								
Total Anticipated Rule Actions for Department of Health and Human Services:									20

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II. Schedule of Anticipated Rules Actions in SFY 2016-2017

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:*		
			Name	Phone			S/	L/	SE
Department of Information Technology									
911 Board	911 Board Rules Package	09 NCAC 06C Sections .0100-.0400	Teresa Bank	919-754-6285	Adopt	Yes	S	L	SE
	<p>The rules proposed for adoption by the 911 Board incorporate some existing policies relating to disbursements from the 911 Fund to local governments which have been in place for over 15 years. Some of the rules aid to implement federal law relating to 911 services and therefore are required for federal law purposes while others are not. The fiscal note for these rules is currently under development and it appears there will be a substantial economic impact as determined by OSBM. Requirements in the rules which may create an economic impact for some Public Safety Answering Points (PSAPs) include: continuing PSAP annual reporting requirements to the 911 Board for disbursement of 911 Funds; requirement that all PSAPs establish a back-up plan to ensure that 911 calls can be received and dispatched in the event of communications center failure (estimated 20% of PSAPs do not currently have a back-up plan); minimum standards for PSAPs to train personnel, training and staffing for telecommunicators; minimum requirements for PSAP facilities, including physical building, 911 dispatching systems, CAD systems, telephone lines and associated equipment; requirements for equipment testing; requirement to retain records for 5 years as part of the 911 Fund distributions determinations; requirement for CMRS (cell phone) service providers to register with the 911 Board prior to providing service in NC; and requirements for service charges based on prepaid wireless service sales.</p>								
Total Anticipated Rule Actions for Department of Information Technology:									1
Department of Justice									
NC Sheriffs' Education and Training Standards Commission	Detention Officer Certification Course	12 NCAC 10B .0601	Julia Lohman	919-662-4370	Amend	No	S	L	U
	<p>The rule change would result in a re-allocation of hours and an additional block of instruction, therefore creating an impact on local governments. The agency also estimates there would a state impact from the change.</p>								
NC Sheriffs' Education and Training Standards Commission	Minimum Training Requirements	12 NCAC 10B .2005	Julia Lohman	919-662-4370	Amend	No	S	L	SE
	<p>The rule change is part of the annual revision the agency makes to In-Service Training requirements. Without these revisions, there would be no requirements for the upcoming calendar year. The revisions to the requirements usually result in a substantial economic impact and an impact on local and state governments.</p>								
Total Anticipated Rule Actions for Department of Justice:									2

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II. Schedule of Anticipated Rules Actions in SFY 2016-2017

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:*		
			Name	Phone			S/	L/	SE
Department of Transportation									
NC Department of Transportation	DMV Hearing Fees	NA			Adopt	No	S	-	SE
	The agency would adopt a new fee, as required by statute. Due to the number of hearings the annual impact will be over \$1 million.								
Total Anticipated Rule Actions for Department of Transportation:									1
Industrial Commission									
N/A	Workers' Compensation	04 NCAC 10A	Kendall Bourdon	(919)-807-2644	Amend	No	U	U	U
	Following extensive rulemaking from 2011 through 2014, NCIC anticipates some additional rulemaking in Subchapter 10A to make revisions and updates, most likely limited to amendments.								
N/A	Tort Claims	04 NCAC 10B	Kendall Bourdon	(919)-807-2644	Amend	No	U	U	U
	Following extensive rulemaking from 2011 through 2014, NCIC anticipates some additional rulemaking in Subchapter 10B to make revisions and updates, most likely limited to amendments.								
N/A	Industrial Commission Forms	04 NCAC 10L	Kendall Bourdon	(919)-807-2644	Adopt and Amend	No	U	U	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.								
Total Anticipated Rule Actions for Industrial Commission:									3
Property Tax Commission									
N/A	Legal Representation before the Commission	17 NCAC 11 .0216	Janet L. Shires	919-814-1145	Amend	No	U	-	-
	The amendment to the rule specifies a change to business entity representation before the Commission and provides that prior written notice of non-attorney representation shall be filed with the Commission within 30 days of filing a Notice of Appeal or the appeal shall be subject to dismissal.								
Total Anticipated Rule Actions for Property Tax Commission:									1

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II. Schedule of Anticipated Rules Actions in SFY 2016-2017

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:*		
			Name	Phone			S/	L/	SE
Office of State Human Resources									
Safety, Health and Workers' Compensation	Workers' Compensation	25 NCAC 01C, 01D, 01E, 01I, 01N	Margaret Duke	(919) 807-4869	Adopt and Amend	No	S	U	SE
These changes are necessary to reflect changes to workers' compensation administration.									
Classification and Compensation	Compensation	25 NCAC 01D	Margaret Duke	(919) 807-4869	Adopt and Amend	No	S	L	U
These changes will reflect the new statewide classification and compensation system.									
Talent Management	Recruitment and Selection	25 NCAC 01H	Margaret Duke	(919) 807-4869	Adopt, Amend, and Repeal	No	S	-	SE
These changes will reflect reforms to the statewide hiring and recruitment processes and the applicant tracking system.									
Local Government	Service to Local Government	25 NCAC 01I	Margaret Duke	(919) 807-4869	Adopt, Amend, and Repeal	No	U	L	SE
These changes are needed to improve state human resource services to local governments.									
Equal Employment Opportunity	Equal Employment Opportunity	25 NCAC 01L	Margaret Duke	(919) 807-4869	Adopt, Amend, and Repeal	Yes	U	U	U
These changes will reflect current policies and practices.									
Total Anticipated Rule Actions for Office of State Human Resources:									5
Wildlife Resources Commission									
N/A	Wildlife Taken for Depredations	15A NCAC 10B .0106	Erica Garner	919-707-0014	Amend	No	S	-	-
The rule change would allow Wildlife Damage Control Agents more options for recertification. WRC will provide online options at a cost estimated at \$6,000.									

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II. Schedule of Anticipated Rules Actions in SFY 2016-2017

Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Federally Required	Impacts:*		
			Name	Phone			S/	L/	SE
N/A	Sale of Wildlife	15A NCAC 10B .0118	Erica Garner	919-707-0014	Amend	No	S	-	-
	The rule allows for the sale of raw deer hides. Deer processors, fur dealers, and salt distributors and retailers (since hides will need to be salted) are likely to see a benefit from the change, however it would not be substantial.								
N/A	Elk	15A NCAC 10B .0225	Erica Garner	919-707-0014	Adopt	No	U	-	-
	The proposed change establishes a permit-only elk season. It is unclear how many hunters would avail themselves of this opportunity, and therefore what the impact would be on WRC or the regulated community. The agency does not expect a significant impact on the wildlife resources since the season is permit-only.								
N/A	Public Mountain Trout Waters	15A NCAC 10C. 0205	Erica Garner	919-707-0014	Amend	No	U	-	-
	The proposed rule modifies the list of waters designated as Public Mountain Trout Waters to further classifications: Hatchery Supported, Delayed Harvest, or Wild Trout								
N/A	Carteret County No Wake Zone	15A NCAC 10F .0330	Betsy Haywood	919-707-0013	Amend	No	-	L	-
	The Town of Cedar Point would mark the no-wake zone at a one-time cost of no more than \$1,000.								
N/A	Macon County	15A NCAC 10F .0366	Betsy Haywood	919-707-0013	Amend	No	S	-	-
	WRC will mark the no-wake zone at a one-time cost of approximately \$2,000.								
Total Anticipated Rule Actions for Wildlife Resources Commission:									6
Total Anticipated Rules for ALL Agencies:									53

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III. Rules with Estimated Local Government Impact Adopted in SFY 2014-2015

Table 7. Rules with Estimated Local Governments Adopted Between July 1, 2014 and June 30, 2015

Agency	Division	Title of Rule Change	Citation(s)	Contact	Date Adopted	Estimated Impact on Local Government (thousands):*				
						2014-15	2015-16	2016-17	2017-18	2018-19
Department of Commerce										
	Employment Security	Readoption	04 NCAC 24A; 24B; 24C; 24D; 24F; 24G; 24H	Jeremy Ray (919) 707-1606	5/1/15	\$0	\$0	\$0	\$0	\$0
Total for Department of Commerce:						\$0	\$0	\$0	\$0	\$0
Department of Environmental Quality										
	NC Aquariums	Aquarium Fee Increase	15A NCAC 28 .0302	David Griffin (919) 877-5500	10/6/14	-\$18	-\$18	-\$18	-\$18	-\$18
	Water Resources	Surface Water Triennial Review	15A NCAC 02B .0206, .0211-.0212, .0214-.0216, .0218, .0220	Connie Brower (919) 807-6416	11/13/14	\$0	\$0	-\$150	-\$1,290	-\$5,540
	Air Quality	Extended Permit for non-Title V sources	15A NCAC 02Q .0308	Glenn Sappie (919) 707-8705	11/13/14	\$0	\$0	\$0	\$0	\$0
	Energy, Mineral and Land Resources	Gravel	15A NCAC 02H .1002	Julie Ventaloro (919) 807-6370	11/13/14	\$0	\$0	\$0	\$0	\$0
	Coastal Management	Adjacent Property Owner Notification	15A NCAC 07K .0208	Mike Lopazanski (252) 808-2808	2/18/15	\$0	-\$1	-\$1	-\$1	-\$1
	Water Resources	Total Coliform	15A NCAC 18C .1539	Linda Raynor (919) 707-9095	5/13/15	-\$90	\$0	\$0	\$0	\$0
Total for Department of Environmental Quality:						-\$108	-\$19	-\$169	-\$1,309	-\$5,559
Department of Health and Human Services										
	Health Service Regulation	Transparency in Pricing	10A NCAC 13B .3110, .3502; 13C .0202, .0205, .0301	Nadine Pfeiffer (919) 855-3811	9/12/14	\$0	\$0	\$0	\$0	\$0
	Social Services	Drug Testing	10A NCAC 73A .0101-.0108	Carlotta Dixon (919) 527-6421	4/20/16	\$0	-\$78	-\$78	-\$80	-\$80
Total for Department of Health and Human Services:						\$0	-\$78	-\$78	-\$80	-\$80

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

III. Rules with Estimated Local Government Impact Adopted in SFY 2014-2015

Agency	Division	Title of Rule Change	Citation(s)	Contact	Date Adopted	Estimated Impact on Local Government (thousands):*				
						2014-15	2015-16	2016-17	2017-18	2018-19
Department of Justice										
	Sheriffs' Education and Training Standards	In-service Training 2015	12 NCAC 10B .2005, .2006	Julia Lohman (919) 662-4370	11/5/14	-\$55	-\$55	\$0	\$0	\$0
Total for Department of Justice:						-\$55	-\$55	\$0	\$0	\$0
Wildlife Resources Commission										
	N/A	No Wake Zones Bethel Creek	15A NCAC 10F .0355	Erica Garner (919) 707-0014	9/30/14	-\$1	\$0	\$0	\$0	\$0
	N/A	No Wake Zone Currituck County	15A NCAC 10F .0340	Erica Garner (919) 707-0014	1/30/15	\$0	-\$2	\$0	\$0	\$0
	N/A	No Wake Zone Lake Wylie	15A NCAC 10F .0333	Erica Garner (919) 707-0014	6/5/15	\$0	-\$2	\$0	\$0	\$0
Total for Wildlife Resources Commission:						-\$1	-\$4	\$0	\$0	\$0
Total for ALL Agencies:						-\$164	-\$156	-\$247	-\$1,389	-\$5,639

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