



STATE OF NORTH CAROLINA  
OFFICE OF STATE BUDGET AND MANAGEMENT



Employment First State for Individuals with Disabilities

JOSH STEIN  
GOVERNOR

KRISTIN WALKER  
STATE BUDGET DIRECTOR

March 1, 2026

TO: Governor Josh Stein

The Honorable Phil Berger  
President Pro Tempore of the Senate

The Honorable Destin Hall  
Speaker of the House

Mr. Kevin Leonard, Executive Director  
North Carolina Association of County Commissioners

Ms. Rose Williams, Executive Director  
North Carolina League of Municipalities

FROM: Kristin Walker *Kristin Walker*  
State Budget Director

SUBJECT: Schedule of Anticipated Administrative Rule Actions and Summary of  
Administrative Rules Affecting Local Governments

Enclosed is the report required by G.S. 150B-21.28. The report contains a schedule of rule actions state agencies anticipate taking in Fiscal Year 2026-27 that might affect the state government or local governments, or that might create a substantial economic impact. The second part of this report includes a summary of rules agencies adopted in Fiscal Year 2024-25 that had an economic impact on local governments.

Please contact Julie Ventaloro ([julie.ventaloro@osbm.nc.gov](mailto:julie.ventaloro@osbm.nc.gov)) should you have any questions or comments about these items.

Enclosure

CC: Brian Liebman  
Kara McCraw  
Chris Saunders

Erin Wynia  
Adam Pridemore  
Jennifer Davison



# **North Carolina Rules with Economic Impact 2026**

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## 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, 2026 – June 30, 2027*

This section contains information on rules state agencies expect to adopt in FY 2026-27 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 5-year 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, 2024 – June 30, 2025*

The last section provides information on rules North Carolina agencies adopted in FY 2024-25 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 FY 2026-27, state agencies anticipate taking action on 44 different rule packages, based on reports submitted by 87 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 44 rule package actions agencies anticipate making in FY 2026-27 is a smaller amount than the 51 actions agencies anticipated engaging in during the current fiscal year (FY 2025-26), based on information presented in the 2025 NC Rules with Economic Impact Report. Approximately 50% of the 44 anticipated rule actions with economic impact for the following year include an *amendment* to existing regulations. Approximately 21% of the anticipated rule actions are related to rule packages agencies are required to *readopt* per G.S. 150B-21.3A. Rule actions that include new rule *adoptions* make up 27% of the anticipated actions, and 2% include rule *repeals* (see Table 2).

**Table 1. Number of Anticipated Rules with Economic Impact in FY 2026-27**

<i>Agency</i>	<i>Number of Rule Packages</i>	<i>Percentage of Total</i>
Department of Environmental Quality	13	29.5%
NC Industrial Commission	9	20.5%
Department of State Treasurer	8	18.2%
Wildlife Resources Commission	4	9.1%
NC Innovation Council	3	6.8%
Department of Health and Human Services	3	6.8%
Board of Barber and Electrolysis Examiners	2	4.5%
Board of Examiners for Engineers and Surveyors	1	2.3%
Department of Insurance	1	2.3%
<b>Total Anticipated Rules</b>	<b>44</b>	<b>100.0%</b>

**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>
Amend	22	50.0%
Adopt	12	27.3%
Readopt	9	20.5%
Repeal	1	2.3%
<b>Total Anticipated Rules</b>	<b>44</b>	<b>100.0%</b>

The Department of Environmental Quality, the NC Industrial Commission, and the Department of State Treasurer anticipate carrying out the majority of the rulemaking in FY 2026-27. Note that five of the eight NC Industrial Commission 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 [Periodic Review Schedule](#) published by the Office of Administrative Hearings (accessed February 4, 2026), agencies will review -- either in whole or in part -- about 149 rule chapters in the 2026-27 fiscal year. At this point, it is unclear how many individual 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 44 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. "Substantial economic impact" is defined in [G.S. 150B-21.4\(b1\)](#) as an aggregate economic impact of \$1 million or more over a 5-year period. Compared to the projections for the current fiscal year, as detailed in the 2025 NC Rules with Economic Impact Report, there is an increase in the number of rules expected to have various impacts:

**State Government Impact:** The number of rule packages projected to impact state government increased from 26 to 30.

**Local Government Impact:** The number of rule packages projected to impact local government increased from 14 to 23.

**Substantial Economic Impact:** The number of rule packages projected to have potential substantial economic impact increased from 10 to 11.

**Table 3. Number of Rule Packages Anticipated in FY 2026-27, by Type of Impact\***

<i>Type of Impact</i>	<i>Number of Rule Packages</i>	<i>Percentage of Total</i>
State Government	30	68.2%
Local Government	23	52.3%
Substantial Economic Impact	11	25.0%

\*For more details, see Section II, Table 6 of this report.

In FY 2024-25, state agencies adopted 23 sets of rule changes estimated to have an impact on local governments (either a cost or benefit), as shown in Table 4.

**Table 4. Number of Rule Packages Adopted in FY 2024-25 with Local Government Impact, by Agency\***

<i>Agency</i>	<i>Number of Rule Packages</i>	<i>Percentage of Total</i>
Wildlife Resources Commission	5	21.7%
Department of Health and Human Services	5	21.7%
Department of Environmental Quality	5	21.7%
State Board of Education	3	13.0%
Department of Labor	2	8.7%
Department of State Treasurer	2	8.7%
Department of Public Safety	1	4.3%
<b>Total Adopted Rules</b>	<b>23</b>	<b>100.0%</b>

\*For more details, see Section III, Table 7 of this report.

Table 5 presents the estimated *quantified* impact on local governments over a five-year period resulting from the rules adopted in FY 2024-25. The net present value of these quantified impacts on local governments is approximately \$2.56 million in costs (computed using a 7% discount rate, as mandated in

[G.S. 150B-21.4\(b1\)](#) for fiscal note analyses). It’s important to note that these rule changes may yield additional impacts over the next five years, including significant unquantified benefits for local and state governments as well as private entities. For instance:

- The Commission for Public Health’s rules update minimum staffing standards for local health departments by requiring all public health nurses to hold an active RN license, complete a standardized introductory public health course, and periodically complete refresher training aligned with current professional standards. These changes are expected to strengthen the competence and consistency of local public health nursing practice statewide, improving patient safety and population health outcomes while offering nurses free continuing education credits for license renewal.
- The State Board of Education’s rules establish a permanent paid parental leave (PPL) program for public school employees that mirrors the state employee program. The rules are expected to yield significant benefits for school employees, students, and the public school system through improved employee recruitment and retention, increased post-leave productivity, and better infant and child health outcomes.

While these impacts are expected to be significant, they are inherently difficult to quantify with precision. As such, they have not been included in Table 5.

**Table 5. Estimated Net Impact on Local Governments of Rules Adopted by Agencies in FY 2024-2025, (in thousands of \$)\***

<i>Agency</i>	<i>FY</i> <i>2024-25</i>	<i>FY</i> <i>2026-26</i>	<i>FY</i> <i>2026-27</i>	<i>FY</i> <i>2027-28</i>	<i>FY</i> <i>2028-29</i>
Wildlife Resources Commission	\$14	\$0	\$0	\$0	\$0
Department of Health and Human Services	\$366	\$366	\$366	\$65	\$65
Department of Environmental Quality	\$7	\$0	\$0	\$0	\$0
State Board of Education	\$70	\$394	\$394	\$394	\$394
Department of Labor	\$0	\$0	\$0	\$0	\$0
Department of State Treasurer	\$0	\$0	\$0	\$0	\$0
Department of Public Safety	\$0	\$0	\$0	\$0	\$0
<b>Total Impact of Adopted Rules</b>	<b>\$457</b>	<b>\$760</b>	<b>\$760</b>	<b>\$459</b>	<b>\$459</b>

\*Note that positive values are net costs to local governments and negative values are net benefits.

II. Schedule of Anticipated Rules Actions in FY 2026-2027

**Table 6. Schedule of Anticipated Rule Actions between July 1, 2026 and June 30, 2027**

#	Division	Rule Title and Description	NCAC Citation(s)	Contact		Rule Action	Required by	Impacts		
				Name	Phone		Federal Law/Regulation	State	Local	Substantial
<b>Board of Examiners for Engineers and Surveyors</b>										
1	North Carolina Board of Examiners for Engineers and Surveyors	Biennial renewal of licenses and continuing professional competency requirements	21 NCAC 56 .0505, .0606, and .1700 et seq.	S. Wesley Tripp III	919-781-2000, ext. 111	Amend	No	-	-	SE
		House Bill 435 allows the Board to shift from annual renewal of licenses to multi-year renewal cycles. The per year cost of a license will not increase. The bill has passed the House and is pending in the Senate. Once the bill becomes law, the Board will seek rule amendments to implement a biennial renewal period. The Board will also seek to amend its continuing professional competency rules to correspond with the proposed renewal cycle.								
<b>Department of Insurance</b>										
1	Life and Health Division	Pharmacy Services Administrative Organizations	11 NCAC 25	Alisha Benjamin	919-807-6654	Adopt	No	S	-	-
		S.L. 2025-69 created a new Article 56B in Chapter 58, which enacted statutes for the licensure and regulation of pharmacy services administrative organizations (PSAOs) in North Carolina. Where 58-56B-5 gives the Commissioner the authority to charge an initial application fee of \$200.00 and an annual renewal fee of \$150.00, those fees will need to be established by agency rulemaking action pursuant to 58-56B-50. Fiscal impact is anticipated but the effects of the rules are currently unknown as agency rule drafting is underway. This legislation by the General Assembly directed the Department to adopt rules for Article 56B implementation by October 1, 2026, resulting in potential rule actions with economic impact during FY 26-27.								
<b>Department of Environmental Quality</b>										
1	Air Quality/Environmental Management Commission	CAA 111(d) Rules for Methane Emissions from Oil and Gas Facilities	15A NCAC, Subchapter 02D .2800	Katie Quinlan	(919) 707-8702	Adopt	Yes	S	U	SE

\* S = State Impact, L = Local Impact, SE = Substantial Economic Impact of \$1,000,000 or greater in a 5-year period, U = Impact Uncertain.

## II. Schedule of Anticipated Rules Actions in FY 2026-2027

		Adopt rules to implement EPA's final emission guidelines for control of methane emissions from oil and gas facilities under 40 CFR Part 60, Subpart OOOOc. EPA finalized the emission guidelines in March of 2024 and North Carolina's State Plan is due to EPA in January of 2027. However, the EPA has indicated a broad "reconsideration" of these emission guidelines, which may impact the timeline and potential impact of these rules. Rulemaking is one component of the State Plan process.								
2	Air Quality/ Environmental Management Commission	Revisions to Add Title V Exclusionary Provisions for Non-Emergency Stationary Reciprocating Internal Combustion Engines (RICE)	15A NCAC 02Q .0807	Katie Quinlan	(919) 707- 8702	Amend	No	S	L	-
		Revise 15A NCAC 02Q .0807 to include non-emergency stationary RICE in the exemption from the requirements of 15A NCAC 02Q .0500 if these sources are the only sources required to obtain a permit at a facility. To receive the exemption, the facility-wide actual emissions from both emergency and non-emergency RICE would need to be below major source thresholds of 100 tons per year (tpy) of any regulated air pollutant, 10 tpy of any individual hazardous air pollutant (HAP), and 25 tpy of all HAPs combined. This exemption would help reduce unnecessary permitting burdens.								
3	Air Quality/ Environmental Management Commission	Air Curtain Incinerator Rules Revisions	15A NCAC 02D .1904 and 15A NCAC 02Q .0810	Katie Quinlan	(919) 707- 8702	Amend	Yes	S	U	-
		Revise rules pertaining to air curtain incinerators (ACIs)/air curtain burners (ACBs) to reflect EPA's April 2024 final action to remove Title V permitting requirements for ACIs that burn less than 35 tons per day of only wood waste, clean lumber, yard waste, or a mixture of these materials, pursuant to 40 CFR Part 60, Subparts EEEE and FFFF. Additional revisions will be proposed to address internal comments received by other DAQ staff, to update the Title V exclusionary limit in Rule 02Q .0810, and to account for further changes to the federal regulations for ACIs that are expected in the spring of 2026. Note: The Disaster Recovery Act of 2024 has already removed the Title V permit requirement for these ACIs consistent with EPA's final action, until such time that the State Rule is updated to match the federal rule. Therefore, any impacts from the removal of the Title V permit requirement are not attributable to this Rule action, although they will still be estimated in the regulatory impact analysis.								
4	Air Quality/ Environmental Management Commission	Minor Permit Fee Revisions	15A NCAC 02Q .0203	Katie Quinlan	(919) 707- 8702	Amend	No	S	L	SE
		Revise permit fees for non-Title V facilities. Would require parallel legislative changes to increase maximum fee amounts for this category.								
5	Air Quality/ Environmental Management Commission	Revisions to Risk Management Program Rules	15A NCAC 02D .2100	Katie Quinlan	(919) 707- 8702	Amend	Yes	U	U	U
		Revisions to the provisions for Risk Management Program (RMP) rules to align with changes to the EPA's requirements in 40 CFR Part 68 that were finalized in 2024, as well as additional changes to federal RMP regulations expected in 2026.								

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## II. Schedule of Anticipated Rules Actions in FY 2026-2027

6	Air Quality/ Environmental Management Commission	Rule Amendments to Allow Website Permit Public Notices	15A NCAC 02Q .0113, .0307, .0521, and .0710	Katie Quinlan	(919) 707- 8702	Amend	No	S	U	-
Revise rules to allow for public notices to be published on the DAQ website rather than in newspapers.										
7	Coastal Management/ Coastal Resources Commission	Permit Fees	15A NCAC 07H .1100- .2700, 07J .0204	Daniel Govoni	252-515- 5400	Amend	No	S	L	U
Recent legislative changes codified in G.S. 143B-279.19 require that State permit fees be adjusted in accordance with the Consumer Price Index (CPI). The statute further directs that such fee adjustments occur on a recurring basis, beginning July 1, 2025, and recurring every four years. Proposed amendments reflect the recent legislation.										
8	Coastal Management/ Coastal Resources Commission	Inlet Hazard Areas and Erosion Rate Update	15A NCAC 07H .0304, .0306, .0310	Ken Richardson	252-515- 5400	Amend	No	-	L	U
The process of updating Inlet Hazard Area (IHA) boundaries and associated oceanfront and inlet erosion rates is ongoing. DCM staff are currently working with the CRC subcommittee charged with evaluating potential rule amendments necessary to advance these updates to rulemaking. Once the proposed rule amendments are identified and approved by the CRC, DCM staff will proceed with preparation of the required fiscal analysis prior to scheduling public hearings.										
9	Energy, Mineral, and Land Resources/ Environmental Management Commission	Dam Safety	15A NCAC 02K .0101 through .0504	Toby Vinson	919-218- 0208	Readopt	No	S	L	SE
The rules and regulations contained in this Subchapter are intended to carry out the purposes of the Dam Safety Law of 1967, as expressed in G.S. 143-215.24 which authorizes the implementation of a dam inspection and certification program in the interest of public health, safety and welfare. Rule changes and additions are intended to add definitions missing from the existing law and rules and well as establish and codify processes that have been developed as part of the program over time for clarity to applicants and dam owners as well as recognized standards of practice in professional engineering that are expected for the life, safety and health of the public such as standards for hazard classification and updated minimum design requirements.										
10	Waste Management/ Environmental Management Commission	Waste Not Discharged to Surface Waters - Soil Remediation	15A NCAC 02T Section .1500	Jessica Montie/ Carin Kromm	919-707- 8247 / 336- 776-9682	Readopt	No	U	U	U
These existing rules govern permit application, operating, and closure requirements for sites used for remediation of petroleum-contaminated soil (currently less than 20 sites in NC). The DWM UST Section is drafting amendments to propose to the EMC concurrently with readoption.										
11	Water Resources/ Environmental Management Commission	Animal Feeding Operations Program Rule Readoption	15A NCAC 02T .1300 & .1400	Michael Pjetraj	919-820- 6603	Readopt	Yes	-	-	SE
These rules cover the Animal Waste Management Systems program and Manure Hauler Operations program. This rulemaking is part of the rule readoption as part of 150B-21.3A and in response to a NC Supreme Court ruling.										

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## II. Schedule of Anticipated Rules Actions in FY 2026-2027

12	Water Resources/ Environmental Management Commission	PFAS Monitoring & Minimization Rules	15A NCAC 02H .0923 and 02B .0512	Karen Preston	919-707-3871	Amend	No	S	L	SE
13	Water Resources/ Environmental Management Commission	1,4-dioxane Monitoring & Minimization Rules	15A NCAC 02H .0924 and 02B .0513	Bridget Shelton	919-707-9022	Amend	No	S	L	SE
<b>Department of Health and Human Services</b>										
1	DCDEE/ Child Care Commission	Care for School-Age Children	10A NCAC 09 Section .2500	Julie Peck	336-406-3296	Amend	No	U	U	U
		The Child Care Commission will consider amending this section of rules to provide additional flexibilities and enhancements and clarify requirements for entities providing child care for school-age children, including: revising requirement for seasonal centers to become licensed as summer day camp from mandatory to voluntary; revising building code, space and general safety requirements and health requirements for children and clarifying sanitation requirements for out of school care programs operating in buildings and grounds currently approved for school occupancy, housing a public or private elementary or middle school, and serving the same or subset of the same children; revising general safety requirements for all school-age care programs to ensure first aid equipment is accessible regardless of where activities are provided, outdoor areas receive safety checks daily prior to use, medication is kept in locked storage, and emergency medication is stored out of reach; enhancing age-appropriate activities requirements to ensure developmental appropriateness, establish minimum amounts of required outdoor time, and require parental access to activity plans and written parental permission for some activities; specifying when safety seats and seat belts are required for transportation to off-premise activities; clarifying staff experience, orientation, training and minimum age requirements; and ensuring implementation of parent participation plans.								
2	Radiation Protection Commission/ DHSR	Radiation Protection readoptions Phase 10	10A NCAC 15 .0601-.0608, .0610-.0611	Shanah Black	919-855-3481	Readopt	No	S	L	SE
		Phase 10 radiation protection rules regulate the use of radioactive materials and radiation machines in NC pursuant to G.S. 104E. These rules are necessary to clarify agency expectations for registrants and licensees possessing and using sources of radiation within NC. All rules proposed for repeal are being repealed due to rule requirement redundancy.								

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3	Division of Services for the Deaf and Hard of Hearing	Administrative Rules for Enhanced Technology Access	10A NCAC 17D .0202, 10A NCAC 17D .0205, 10A NCAC 17D .0206, 10A NCAC 17D .0211, 10A NCAC 17D .0214	Leslie Jones	919-930-1669	Amend	No	U	U	U
Proposed rule amendments to meet technology needs.										
<b>North Carolina Industrial Commission</b>										
1	North Carolina Industrial Commission	Foreign Language and Sign Language Interpreters	This will be a new rule in 11 NCAC 23B. Unsure at this time of the rule number.	Dana McGhee	919-807-2606	Adopt	No	S	-	-
This rule, which will apply to tort claims brought under the State Tort Claims Act, will be similar to the interpreter rule (11 NCAC 23A .0619) that applies to our workers' compensation claims. The rule will set forth the procedures for parties to follow when a foreign language or sign language interpreter is needed in a tort claim hearing. Based on our initial fiscal analysis and past trends, we anticipate an average additional yearly cost to the State that ranges from hundreds of dollars to the low tens of thousands of dollars. We do not anticipate any cost to local government or any substantial impact.										
2	North Carolina Industrial Commission	Electronic Filings with the Commission: How to File	There will be 2 new Electronic Rules, one in 11 NCAC 23H and one 11 NCAC 23I. Unsure of the rule numbers at this time.	Dana McGhee	919-807-2606	Adopt	No	S	L	-
Electronic Filing rules are being added for claims filed under the Public Safety Employees' Death Benefits Act and Childhood Vaccine-Related Injury Compensation Program. These electronic filing rules, like the electronic filing rules that currently exist in the Workers' Compensation Rules and State Tort Claim Rules, will allow unrepresented claimants to continue to file claims by any method. These unrepresented claimants will not be required to electronically file their claims, but they may do so. There is no charge for filing a claim electronically. This rule is not expected to have a substantial economic impact, but it is likely to have a de minimus, positive economic impact in that it will clearly explain to the regulated parties their options for filing claims and it will give the regulated parties the option to files claims electronically, for convenience and other reasons. It also should be noted that the number of claims filed per year under these statutes is extremely low. While, historically, there have been a few cases filed yearly under the Public Safety Employees' Death Benefits Act, the Industrial Commission has not received a claim filed under the Childhood Vaccine-Related Injury Compensation Program for many years.										

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3	North Carolina Industrial Commission	General Provisions	11 NCAC 23J .0101	Dana McGhee	919-807-2606	Readopt	No	S	L	U
<p>This rule sets forth general provisions relating to the Industrial Commission's Medical Fee Schedule in workers' compensation claims, which the Industrial Commission is required to adopt under G.S. 97-26. The Industrial Commission is considering a rule amendment that would establish the maximum fees that medical providers in workers' compensation claims may charge the named parties in the workers' compensation claim, as well as the rehabilitation professionals assigned to the workers' compensation claim. This rule amendment, if pursued, would be expected to have an economic impact at both the State and local level, but the extent of the economic impact and whether it would be substantial, has not yet been determined.</p>										
4	North Carolina Industrial Commission	Instructions for Filing a Petition for Rulemaking	11 NCAC 23E .0101	Dana McGhee	919-807-2606	Readopt	No	S	L	-
<p>The current rule only allows persons petitioning the Industrial Commission to adopt a new rule, or amend or repeal an existing rule, to submit the rulemaking petition by mail. The proposed rule change adds an email option, though the rule will not eliminate the mailing option. This rule change is not expected to have a substantial economic impact because the Industrial Commission does not receive many rulemaking petitions. However, it should have a de minimus, positive impact on petitioners and on the Industrial Commission because it is quicker and often easier to send and receive an email than a piece of mail.</p>										
5	North Carolina Industrial Commission	Notice of Withdrawal	There will be 2 new rules, one in 11 NCAC 23B and one in 23H. Unsure of the rule numbers at this time.	Dana McGhee	919-807-2606	Adopt	No	S	L	-
<p>This rule, which will apply to State Tort Claims and Public Safety Employees' Death Benefits Act Claims, will require attorneys to notify the Industrial Commission in writing if they have withdrawn from representing a party in the claim. Currently, no rule exists requiring Industrial Commission notification, even though most attorneys do so voluntarily. It is important for the Industrial Commission to know if and when an attorney has withdrawn from representation because if the Commission does not know that an attorney has withdrawn, the Commission may continue to send that attorney copies of Decisions &amp; Orders and other rulings or communications that require a response. These new rules are not expected to have any substantial economic impact. However, the new rules will have a positive, unquantifiable impact on the parties in these cases and on the Industrial Commission because the rules will ensure that the Industrial Commission has the most up-to-date representation information in its files and the rules will also ensure that all the named parties in the case are aware of an attorney withdrawal from the case.</p>										

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## II. Schedule of Anticipated Rules Actions in FY 2026-2027

6	North Carolina Industrial Commission	Document and Record Fees	11 NCAC 23E .0201	Dana McGhee	919-807-2606	Readopt	No	S	L	-
<p>This rule sets the fees the Industrial Commission can charge for public documents that are provided to a requesting party by the Industrial Commission. The Industrial Commission proposes removing the sentence that says electronic copy certification is not available because we now can do electronic copy certification via an Adobe stamp. This will not cost us anything since our Clerk, who is the one who certifies the documents, already has an Adobe subscription. The Industrial Commission also is considering removing the paragraph of the rule that allows parties to request the Commission to send the documents by certified mail and charge the actual certified mail cost to the requesting party. Historically, very few, if any, requestors have asked for the documents to be sent by certified mail, and the Industrial Commission now has the ability to send the documents electronically to the requestor at no cost. Sending and receiving documents electronically is, in the experience of the Industrial Commission, preferable to all parties, whereas certified mail has proven to be a potentially unreliable, frustrating way of receiving documents because often the US Postal Service will not deliver certified mail if the recipient or someone else is not home to accept the delivery. Finally, the Industrial Commission is considering removing the paragraph that states that sales tax shall be added if applicable. The Industrial Commission cannot recall a situation where sales tax was appropriate and cannot envision a future situation where sales tax would be appropriate. These changes are not expected to have any economic impact, let alone a substantial economic impact, given that the Industrial Commission's Clerk can now do electronic certification using the Clerk's Adobe subscription, the Industrial Commission cannot recall the last time certified mail was requested in a public records request, and the Industrial Commission cannot recall anytime sales tax was charged for a public records request.</p>										
7	North Carolina Industrial Commission	Secure Leave Periods for Attorneys	11 NCAC 23E .0104	Dana McGhee	919-807-2606	Readopt	No	S	L	-
<p>This rule sets the procedure for attorneys who are seeking approval of a secure leave request from the Industrial Commission. As with all other attorney filings, secure leave requests are currently being filed via EDFP. This is the preferred method of filing for attorneys, and all attorneys are able to file for free via EDFP. Further, all attorneys already are required to submit filings via EDFP under the Commission's electronic filing rules that are found in the Workers' Compensation Rules and State Tort Claim Rules. This rule change is merely meant to bring the rule in conformity with the current practice. No economic impact is expected since it already is the practice for attorneys to file their secure leave requests via EDFP.</p>										

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## II. Schedule of Anticipated Rules Actions in FY 2026-2027

8	North Carolina Industrial Commission	Filing of Annual Report Requirement	11 NCAC 23A .0106	Dana McGhee	919-807-2606	Repeal	No	S	L	-
<p>This rule requires workers' compensation insurance carriers, self-insured employers, and group self-insureds to complete and submit an annual consolidated fiscal report to the Industrial Commission on Form 51. The first part of the form requests data on the total number of "medical only" cases (meaning claims not reported to the Commission based on the criteria in Rule 11 NCAC 23A .0104(a)) plus the total amount of medical expenses paid in those claims. The second part of the form requests data on claims involving more than one day lost from work, including the number of such claims and totals for various types of medical expenses associated with those claims. It should be noted that this second part of the form applies only to managed care insurers (currently, there are no managed care insurers operating in North Carolina and there have not been any operating in North Carolina for many years) and to payors who directly apply the Commission's medical fee schedule to bills. At the time the form was created, only certain payors directly applied the fee schedule. Following the Commission's adoption of 11 NCAC 23J .0101(c) (then (e)) in 2014, however, most payors transitioned to applying the medical fee schedule themselves, resulting in many more being required to use the form. Most of these payors already report the requested data to the NC Rate Bureau and the National Council on Compensation Insurance (NCCI), and the Commission has found that it is able to obtain better, more useful data from NCCI and other sources when needed than from the Form 51s. The rule (and its accompanying form) has led to a lot of confusion among the regulated parties regarding what is required and, because of this, the data received by the Industrial Commission on Form 51 is not reliable. Therefore, the Industrial Commission is considering repealing this rule. The repeal of this rule would not be expected to have a substantial economic impact, but it would be expected to have a minimal, yet positive, economic impact on the regulated parties and the Industrial Commission, as it would save them time and work.</p>										
9	North Carolina Industrial Commission	Mailing List	11 NCAC 23E .0102	Dana McGhee	919-807-2606	Readopt	No	S	L	-
<p>The current rule directs persons interested in receiving Industrial Commission rulemaking notifications via email to file a written request by US Mail. The proposed change will allow for the request to be added to the rulemaking listserv to be submitted by email or through a link that will be created on the IC website. This proposed rule change is not expected to have a substantial economic impact, but it is likely to have a de minimus, positive impact on the regulated parties who would like to get on the list of interested persons that receive Industrial Commission rulemaking notifications via email and on the Industrial Commission.</p>										
<b>Board of Barber and Electrolysis Examiners</b>										
1		Mobile barber shops	21 NCAC 06L .0201-.0205; 06N .0101, .0116; 06O .0123-.0126	Dennis Seavers	919-814-0641	Adopt and Amend	No	S	-	SE
<p>A collection of rules to regulate the licensing and operation of mobile barber shops (i.e., vehicular barber shops)</p>										

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## II. Schedule of Anticipated Rules Actions in FY 2026-2027

2	Electrology apprenticeship programs	21 NCAC 06O .0201-.0203; 06U .0101, .0106-.0110; 06Z .0101-.0110	Dennis Seavers	919-814-0641	Adopt	No	S	-	SE
<b>NC Innovation Council</b>									
1	NC Innovation Council	Expression of Interest to Participate	25 .0104(a)	Victoria Avramovic	(704)648-1217	Amend	No	U	- U
		Amending to remove reference to FinTech, InsurTech and will revise to imply technology-based innovations may be considered across industry sectors.							
2	NC Innovation Council	Expression of Interest to Participate	25 .0104(b)	Victoria Avramovic	(704) 648-1217	Amend	No	U	- U
		Will remove finance or insurance verbiage only.							
3	NC Innovation Council	Nonprofit Partners Application Denial	25 .0103(a)(5)	Victoria Avramovic	(704) 648-1217	Amend	No	U	- U
		Rule to be revised to remove the reference to FinTech and InsurTech. Revisions will convey a requirement to illustrate an organization's expertise in technology innovation and abilities to provide technical assistance to Sandbox applicants.							
<b>Department of State Treasurer</b>									
1	Local Government Commission		20 NCAC 03 .0112			Amend	No	S	L U
		To update the fee amounts that local units pay for various bond and debt applications that are filed for consideration by the Local Government Commission.							
2	NC Capital Facilities Finance Agency		20 NCAC 09 .0602			Amend	No	-	L U
		To update the various fee amounts associated with debt applications filed by institutions for consideration by the NC Capital Facilities Finance Agency							

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## II. Schedule of Anticipated Rules Actions in FY 2026-2027

3	Retirement Systems Division	Contribution-Based Benefit Cap Monthly Report	Taylor Matyi	(919) 814-4144	Adopt	No	S	L	-
<p>The Retirement Systems Division is required to provide a monthly report to Employers who may have members that will be required to make additional contributions at retirement under the Contribution-Based Benefit Cap provisions. The rule would provide definitions that are not in statute and include the parameters for which members are or are not included. The inclusion of an individual on this monthly report does not necessarily mean the employer will owe a Contribution-Based Benefit Cap liability when the person retires.</p>									
4	Retirement Systems Division	Return-to-Work Overpayments Due to Employer Reporting Error	Taylor Matyi	(919) 814-4144	Adopt	No	S	L	U
<p>The rule would provide a clear set of rules and circumstances where the Retirement Systems Division would require the Employer of a re-hired retiree to repay all or part of any overpayments which resulted from a Return-to-Work violation due to the Employer failing to report the member in accordance with the statute. The rule would ensure a fair set of rules are applied to all Employers to ensure consistency between all reporting errors.</p>									
5	Retirement Systems Division	Least Impactful Return-to-Work Violation Determination	Taylor Matyi	(919) 814-4144	Adopt	No	-	-	U
<p>The Retirement Systems Division is tasked with determining the least impactful outcome of a member who violates the waiting period after retiring. Due to circumstances outside of the Retirement Systems knowledge, the rule would allow the member to provide insight into which outcome is the least impactful, such as Health Insurance coverage and costs.</p>									
6	Retirement Systems Division	Contributory Death Benefit Effective Date & Application Requirements	Taylor Matyi	(919) 814-4144	Amend	No	-	-	U
<p>20 NCAC 02M.0202 20 NCAC 02M.0203 20 NCAC 02M.0204</p> <p>The update to the current rule would modernize the processing and eligibility requirements when applying for the Contributory Death Benefit at Retirement.</p>									
7	Retirement Systems Division	Receipt of Forms & Designation Timing	Taylor Matyi	(919) 814-4144	Adopt	No	-	-	U
<p>The rule would provide the Retirement Systems with guidance on the required timing for the receipt of forms and designations made by a payee, member, or legal representative. The rule would provide further definitions which are not in statute referencing "Duly Acknowledged", "Filed", "Date of Submission", etc.</p>									

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## II. Schedule of Anticipated Rules Actions in FY 2026-2027

8	Retirement Systems Division	Contribution-Based Benefit Cap Amortization		Taylor Matyi	(919) 814-4144	Adopt	No	S	L	SE
The Retirement Systems Division calculates and amortizes unpaid Contribution-Based Benefit Cap Invoices as provided by Session Law 2021-72. The rule would identify parameters regarding the implementation of the amortization.										
<b>Wildlife Resources Commission</b>										
1	NCWRC	Game Lands	15A NCAC 10D	William Casola	919-707-0125	Amend	No	S	L	-
Multiple modifications to allowable uses, permit requirements, and administrative updates. Establish a new game land that may impact the number of visitors and impact local spending.										
2	NCWRC	Inland Fishing	15A NCAC 10C	William Casola	919-707-0125	Amend	No	S	U	-
Modify size and/or creel limits and establish a striped bass season in the Tar-Pamlico River and Neuse River.										
3	NCWRC	Wildlife Management	15A NCAC 10B	William Casola	919-707-0125	Amend	No	S	U	-
Modify hunting and trapping seasons and bag limits and regulations in CWD surveillance areas.										
4	NCWRC	Water Safety	15A NCAC 10F	William Casola	919-707-0125	Amend	No	S	L	-
Modify and add no wake zones throughout the state.										

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III. Rules with Estimated Local Government Impact Adopted in FY 2024-2025

**Table 7. Rules with Estimated Local Government Impact Adopted Between July 1, 2024 and June 30, 2025**

Agency, Division	Title of Rule Change	Citation(s)	Contact	Date Adopted	Quantified Impact on Local Government (thousands):*					
					2024-25	2025-26	2026-27	2027-28	2028-29	
<b>Department of Environmental Quality</b>										
Environmental Management Commission/DWR	Certification for Laboratory Parameters	15A NCAC 02H .0804	Jennifer Everett	7/11/24	\$0	\$0	\$0	\$0	\$0	
Environmental Management Commission/DWR	Yadkin-Pee Dee River Basin	15A NCAC 02B .0309	Jennifer Everett	1/9/25	\$7	\$0	\$0	\$0	\$0	
Environmental Management Commission/DWR	Tar-Pamlico Nutrient Strategy Wastewater Discharge Requirements	15A NCAC 02B .0733	John Huisman	5/8/25	Unquantified					
Environmental Management Commission/DWM	Decommissioning of Utility-Scale Solar Projects	15A NCAC 01V .0101-.0107	Jessica Montie	2/3/25	Unquantified					
Marine Fisheries Commission/DMF	Wildlife Violator Compact Act	15A NCAC 03O .0601-.0605	Jason Walsh	3/12/25	\$0	\$0	\$0	\$0	\$0	
<b>Total quantified impact for Department of Environmental Quality:</b>					<b>\$7</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Department of Health and Human Services</b>										
Commission for Public Health/DPH	Reportable Diseases and Conditions	10A NCAC 41A .0101	Virginia Niehaus	8/7/24	\$14	\$14	\$14	\$14	\$14	
Commission for Public Health/DPH	Health Department Staffing	10A NCAC 46 .0301	Virginia Niehaus	11/6/24	\$371	\$371	\$371	\$70	\$70	
Medical Care Commission/DHSR	Adult and Family Care Homes	10A NCAC 13F .0206,.0306,.0309,.0206,.0315,.0316	Shalisa Jones	11/22/24	Unquantified					
Radiation Protection Commission/DHSR	Registration of Radiation Machines	10A NCAC 15 .0201-.0212	Shanah Black	2/28/25	-\$25	-\$25	-\$25	-\$25	-\$25	
Radiation Protection Commission/DHSR	Radiation Generating Devices	10A NCAC 15 .0801-.0808	Shanah Black	7/26/24	\$6	\$6	\$6	\$6	\$6	
<b>Total quantified impact for Department of Health and Human Services:</b>					<b>\$366</b>	<b>\$366</b>	<b>\$366</b>	<b>\$65</b>	<b>\$65</b>	

\* 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 FY 2024-2025

#### Department of Labor

OSH	OSHA Hazard Communication Standard	13A NCAC 07 .0101	Jill Cramer	11/5/24	Unquantified				
OSH	OSHA Personal Protective Equipment Standard	13A NCAC 07S .0201	Jill Cramer	5/5/25	Unquantified				
<b>Total quantified impact for Department of Labor:</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

#### Department of Public Safety

Governor's Crime Commission	Administration of Grants	14B NCAC 05 .0203	Margaret McDonald	6/1/25	\$0	\$0	\$0	\$0	\$0
<b>Total quantified impact for Department of Public Safety:</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

#### State Board of Education

SBE	Paid Parental Leave	16 NCAC 06C .0408	Ryan Collins	8/5/24	\$0	\$324	\$324	\$324	\$324
SBE	Parental Concern Hearings	16 NCAC 06G .0701	Ryan Collins	11/7/24	\$2	\$2	\$2	\$2	\$2
SBE	Interscholastic Athletics	16 NCAC 06E .0201,.0204-.0211,.0215	Ryan Collins	1/9/25	\$68	\$68	\$68	\$68	\$68
<b>Total quantified impact for State Board of Education:</b>					<b>\$70</b>	<b>\$394</b>	<b>\$394</b>	<b>\$394</b>	<b>\$394</b>

#### Department of State Treasurer

TSERS and LGERS Boards of Trustees	Refund of Contributions	20 NCAC 02B .0401; 20 NCAC 02C .0403	Elizabeth Hawley	10/24/24	Unquantified				
TSERS and LGERS Boards of Trustees	Inactive Employers	20 NCAC 02B .0216; 20 NCAC 02C .0213	Elizabeth Hawley	10/24/24	\$0	\$0	\$0	\$0	\$0
<b>Total quantified impact for Department of State Treasurer:</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

#### Wildlife Resources Commission

WRC	Commercial Use Permits	15A NCAC 10H .1801-.1803	Carrie Ruhlman	7/25/24	Unquantified				
WRC	Endangered/Threatened/Special Concern Species	15A NCAC 10I .0102-.0105	Carrie Ruhlman	7/25/24	Unquantified				

\* 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 FY 2024-2025

WRC	Brunswick County No Wake Zone	15A NCAC 10F .0305	Carrie Ruhlman	12/5/24	\$2	\$0	\$0	\$0	\$0
WRC	Land and Water Access	15A NCAC 10D .0229, .0232, .0263	Carrie Ruhlman	10/3/24					Unquantified
WRC	Pender County No Wake Zone	15A NCAC 10F .0321	Carrie Ruhlman	7/25/24	\$12	\$0	\$0	\$0	\$0
<b>Total quantified impact for Wildlife Resources Commission:</b>					<b>\$14</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total quantified impact for ALL Agencies (in thousands of \$)*:</b>					<b>\$457</b>	<b>\$760</b>	<b>\$760</b>	<b>\$459</b>	<b>\$459</b>

\* 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.