

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note

BILL NUMBER: Senate Bill 664 (First Edition)

SHORT TITLE: Small Business Regulatory Improvement Act.

SPONSOR(S): Senator Hartsell

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES:	\$0	\$0	\$0	\$0	\$0
EXPENDITURES:					
General Fund	\$1,061,729	\$1,007,989	\$1,008,896	\$1,009,738	\$963,182
Non-Tax Revenue	\$5,000	\$2,000	\$2,000	\$2,000	\$2,000
Receipt-Supported Agencies	\$143,226	\$108,751	\$108,401	\$107,851	\$93,857
POSITIONS (Cumulative):					
General Fund	20.32 FTE	20.42 FTE	20.42 FTE	20.42 FTE	19.67 FTE
Receipts	1 FTE	1 FTE	1 FTE	1 FTE	.75 FTE
 PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Administration, Department of Agriculture and Consumer Services, Department of Commerce, Department of Environment and Natural Resources, Department of Health and Human Services, Department of Labor, Office of Secretary of State, Office of State Budget and Management, Department of State Treasurer, State Banking Commission, and the NC Cemetery Commission					
 EFFECTIVE DATE: October 1, 2005, and applies to proposed permanent rules published in the North Carolina Register on or after that date.					

BILL SUMMARY: This bill amends the Administrative Procedure Act (APA) by making adjustments to the administrative rule making and adjudicatory process related to small businesses and it creates a new Committee to provide State agencies with input regarding proposed permanent rules which may have an adverse economic impact upon small business. Section 1 of the bill requires that State agencies prepare an economic impact statement for *proposed* permanent rules

that would potentially have an adverse economic impact on small businesses (independently owned with less than 250 employees) prior to publishing the language of the rule in the North Carolina Register. Agencies are to attempt to minimize adverse economic impact for small business when *amending existing* permanent rules. The bill would have State agencies review all existing rules, within four years of the bill's enactment, and on a periodic basis thereafter, to determine if the agency's rules need to be changed to minimize economic impact on small businesses. The bill requires State agencies to provide to the Small Business Regulatory Committee, established under Section 2 of this bill, a copy of a proposed permanent rule's economic impact statement that indicates an adverse economic impact on small business. The Committee would be responsible for requesting that an agency consider the availability of less restrictive alternatives to the proposed permanent rule that indicates adverse economic impact on small business, or that the agency consider alternative methods of small business compliance. Section 1 of the bill provides small businesses with a petition process for objecting to an adverse economic impact on a small business to the State agency adopting a permanent rule. This section also provides the conditions under which State agencies are authorized to waive or reduce administrative fines or penalties for a violation of a statute or rule by a small business. In Section 2, the bill creates a Small Business Regulatory Committee within the Department of Commerce and requires that the new Committee review and make recommendations for any new proposed permanent rule that may have an adverse impact on a small business. In Section 3, the bill directs the Rules Review Commission to determine if a rule was adopted in accordance with the new Part 2A, Small Business Regulatory Improvement Act, of Chapter 150B of the General Statutes.

ASSUMPTIONS AND METHODOLOGY:

State Agency Estimates to Implement the Bill

All state agencies were surveyed by the Fiscal Research Division to assess their operations for fiscal impact from the legislation. All assumptions and estimates of fiscal impact were provided by the agencies unless otherwise stated in this fiscal note. For those agencies that determined there would be minimal or no significant fiscal impact to their agency, that information was reported and also included.

The Administrative Office of the Courts, the University of North Carolina (UNC) system, the Utilities Commission, the Industrial Commission, and the Employment Security Commission are exempted from the Administrative Procedure Act (APA) rule-making process. The provisions of the bill would not fiscally impact their operations.

The following State agencies determined there is no fiscal impact to their operations as a result of the bill: NC Auctioneer Licensing Board; NC Board of Barber Examiners; NC Community College System; Department of Correction; NC Cosmetic Arts Board; Credit Union Commission; Department of Crime Control and Public Safety; Department of Cultural Resources; General Assembly; Office of the Governor; NC Housing Finance Agency; Office of Information Technology Services; Department of Insurance; Department of Juvenile Justice and Delinquency Prevention; Office of the Lieutenant Governor; NC Psychology Board; Department of Public Instruction; Department of Revenue; Office of State Auditor; State Board of Elections; NC State Board of Opticians; Office of the State Controller; Department of Transportation; NC Utilities Commission, Utilities - Public Staff.; and Wanchese Seafood Commission.

The Office of Administrative Hearings / Rules Review Commission determined that there would be minimal or no significant fiscal impact to its operations as a result of the provisions of this bill.

The following State agencies determined that there would be a fiscal impact to their agencies to implement the bill: Department of Administration; Department of Agriculture and Consumer Services; Department of Environment and Natural Resources; Department of Health and Human Services; Department of Labor; Office of Secretary of State; Office of State Budget and Management; Department of State Treasurer; State Banking Commission; Department of Commerce; and the NC Cemetery Commission.

Table 1 on page 4 summarizes the estimated total costs and personnel (reported in FTE) that agencies and boards determine are needed to comply with Section 1 of the legislation requiring agency review of existing rules and the preparation of economic impact statements for proposed permanent rules. In Table 1, agency totals contain all estimated costs, including the estimated cost for projected agency personnel. The estimates do not include the application of inflationary factors to expenditures, unless an agency included them in its original estimate submission. Although not reflected on the table, expenditures would be required to support the Small Business Regulatory Review Committee and one (1) FTE at an annual cost of \$98,254.

Table 1
Fiscal Year Summary of Estimated Cost and Personnel to Implement
Senate Bill 664 - Section 1, Proposed Changes to the Administrative Procedures Act (APA)

	2005-06	2006-07	2007-08	2008-09	2009-10
General Fund					
Department of Administration (Excludes receipt-supported operations which are noted below)					
Cost	\$222,678	\$205,428	\$204,678	\$203,928	\$155,948
Positions (cumulative)	3 FTE	3 FTE	3 FTE	3 FTE	2.25 FTE
Department of Agriculture and Consumer Services					
Cost	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Positions (cumulative)	0.025 FTE	0.025 FTE	0.025 FTE	0.025 FTE	0.025 FTE
Department of Environment and Natural Resources					
Cost	\$66,114	\$66,114	\$66,114	\$66,114	\$66,114
Positions (cumulative)	0.9 FTE	0.9 FTE	0.9 FTE	0.9 FTE	0.9 FTE
¹ Dept. of Health and Human Services					
Cost	\$27,642	\$28,141	\$28,141	\$28,141	\$28,141
Positions (cumulative)	0.4 FTE	0.5 FTE	0.5 FTE	0.5 FTE	0.5 FTE
Department of Labor					
Cost	\$466,084	\$453,571	\$453,571	\$453,571	\$453,571
Positions (cumulative)	12 FTE	12 FTE	12 FTE	12 FTE	12 FTE
Office of State Budget & Management					
Cost	\$57,893	\$57,967	\$59,624	\$61,216	\$62,640
Positions (cumulative)	1 FTE	1 FTE	1 FTE	1 FTE	1 FTE
Secretary of State					
Cost	\$120,564	\$96,014	\$96,014	\$96,014	\$96,014
Positions (cumulative)	2 FTE	2 FTE	2 FTE	2 FTE	2 FTE
General Fund					
Total Cost	\$963,475	\$909,735	\$910,642	\$911,484	\$864,928
Total Positions	19.32 FTE	19.42 FTE	19.42 FTE	19.42 FTE	18.67 FTE

¹Does not include estimated costs for The Division of Medical Assistance or The Office of the General Counsel.

Receipt-Supported					
Department of Administration (receipt-supported operations)	\$74,226 1 FTE	\$68,476 1 FTE	\$68,226 1 FTE	\$67,976 1 FTE	\$53,982 .75 FTE
State Banking Commission					
Cost	\$66,500	\$38,375	\$38,375	\$38,375	\$38,375
Positions (cumulative)	0 FTE	0 FTE	0 FTE	0 FTE	0 FTE
NC Cemetery Commission					
Cost	\$2,500	\$1,900	\$1,800	\$1,500	\$1,500
Positions (cumulative)	0 FTE	0 FTE	0 FTE	0 FTE	0 FTE
Receipt-Supported Agency					
Total Cost	\$143,226	\$108,751	\$108,401	\$107,851	\$93,857
Total Positions	1 FTE	1 FTE	1 FTE	1 FTE	.75 FTE
Non-Tax Revenue					
Department of State Treasurer					
Cost	\$5,000	\$2,000	\$2,000	\$2,000	\$2,000
Positions (cumulative)	0 FTE	0 FTE	0 FTE	0 FTE	0 FTE
Non-Tax Revenue					
Total Cost	\$5,000	\$2,000	\$2,000	\$2,000	\$2,000
Total Positions	0 FTE	0 FTE	0 FTE	0 FTE	0 FTE

General Fund Appropriated Agencies:

Department of Administration (DOA) – The Department functions as the business manager of State government. In that capacity, it oversees such operations as building construction; purchasing and contracting for goods and services with special emphasis on reaching historically underutilized businesses; managing state vehicles; acquiring and disposing of real property; and administering a center for mail services as well as centers for the disposal of state and federal surplus property. Also within the Department are several programs that advocate for NC citizens with special needs. The Department has over one dozen separate divisions that promulgate rules that govern its various operations.

The Department does not prepare economic impact (fiscal) notes on rules except in certain situations that impact on the Department and the State. Because the Department is the State's business manager and, as such, does not regulate any industry, most, if not all, of its rules would only have an indirect impact on small businesses. The Department believes that this bill would require economic impact statements to a detailed level that would require various levels of economists. These economists would need the knowledge, skills, and abilities to perform in-depth research on a wide variety of topics, determine what types of business would be impacted, research the specific economic impact on those businesses, develop pro-forma financial statements to determine the fiscal impact of the rule, research alternatives to the rule, and perform similar analysis to conclude if the alternatives are more or less fiscally burdensome to the business. The potential indirect nature of the impact greatly complicates the process of determining the economic bearing of the Department's rules on small businesses and correspondingly increases the cost of analysis.

The Department estimates that it would need additional personnel and operating cost to assess the adverse economic impact that its rules would have on small businesses. Specifically, it estimates that it would need an Economist II (at a salary of \$55,832 and benefits of \$10,950) and three Economist Is (at a salary of \$50,978 and benefits of \$10,296) during the first four years following the effective date of the bill (i.e., fiscal year 2005-06 through fiscal year 2008-09) to assess the economic impact of its existing rules. Following the initial review, the Department estimates that it

would need to retain the Economist II and one of the Economist I positions on a permanent basis to conduct on-going reviews. The estimated salaries and fringe benefit cost for the four positions is \$250,604 for each of the next four fiscal years. The salary and fringe benefit cost would drop to \$189,330 in the fifth year (i.e., fiscal year 2009-10), covering the cost of the Economist II and Economist I positions that would be needed on a permanent basis. The Department also estimates that for fiscal year 2005-06, it would need \$26,300 in recurring operating cost to cover telephone service, data processing, supplies, travel, and software/subscriptions for access to research databases. The estimated recurring operating cost would decline slightly in the years following the initial review period. Nonrecurring start-up cost of \$20,000 for office furniture and computer equipment is also estimated for fiscal year 2005-06.

The Department estimates that approximately 25% of its rules are promulgated for its receipt-supported operations. Therefore, a General Fund appropriation would be needed for 75% of the estimated cost. Receipts would cover the remaining 25% of the estimated cost for each year.

Department of Agriculture and Consumer Services (DACS) – The Department regulates a variety of activities and products including fertilizer registration, wholesale prescription drug distributor licensing, grain and seed dealer licensure, and the licensing of pesticide applicators. DACS anticipates that it would need to review its existing rules and conduct other general compliance activities required by the bill. DACS estimates this would cost \$2,500 per year (50 hours of work per year * \$50 per hour) and 0.025 FTE. The Department does not anticipate proposing any rule changes that would have an aggregate adverse economic impact on small businesses of \$2 million in a 12-month period.

Department of Environmental and Natural Resources (DENR) – The Department is responsible for permitting for activities of individuals and businesses that affect air, water, land resources, and public environmental health. DENR identified two actions required in Section 1 of the bill that would result in fiscal impact to the Department. First, the Department will have to analyze the impact of regulatory requirements on small businesses. DENR estimates that the Department will prepare impact statements for three rules that have an annual impact on the private sector of over \$1,750,000 per year. Second, DENR will have to review approximately 4,000 existing rules within a four-year period (with an additional year extension upon request) and review all rules every five years thereafter for the purpose of minimizing economic impact of the rules on small business.

DENR estimates the fiscal impact of preparing impact analyses and reviewing rules to be \$66,114 for staff, support, and data acquisition costs. DENR projects that it would need \$50,214 for a total of 0.9 FTE (0.5 FTE for an Economist II at \$26,848 for salary and fringe and 0.4 for an Attorney II at \$23,366 for salary and fringe); \$5,400 in staff support (rental space, travel, training, telephone/email, postage, general supplies); and \$10,500 to acquire data on small businesses needed to conduct the economic impact statement analyses. Each fiscal year, DENR expects to purchase an estimated 5,000 data records, at \$0.70 per record, with information on small businesses needed to conduct analysis for three impact statements. The Department also estimates it would need a nonrecurring \$2,250 for furniture and computer equipment costs. In Fiscal Years 2006-07 through 2009-10, DENR estimates that it would continue to need \$66,114 to provide the impact analysis and rule review requirements.

Department of Health and Human Services (DHHS) – All of the Department divisions' assessments of fiscal impact are included with the exception of the Division of Medical Assistance (DMA). DMA anticipates some type of fiscal impact from the enactment of the bill; however, the Department did not provide an estimate within the timeframe necessary to be included in this Fiscal Note. The Department's Office of the General Counsel (OGC) is DHHS's chief administrative rules coordinator and it would assume administrative authority for the ongoing review of the divisions' rule review process and for an administrative rule database DHHS projects is needed to monitor its rules. DHHS indicated that it would need additional staff in the OGC, but did not provide an estimated cost for staff.

Division of Aging – The Division is the certifying agency for Adult Day Services. In this capacity, the Division proposes rules for Adult Day Care and Adult Day Healthcare and will need to assess the impact of these rules. The estimated fiscal impact stems from the additional 0.21 FTEs required to perform assessments. The additional staff time is expected to cost \$12,047 each fiscal year.

Division of Child Development (DCD)- The Division proposes rules for licensed child care facilities throughout the State. The bill would require the Division to assess the impact of its rules affecting childcare facilities. In order for the Division to determine whether a particular rule qualifies under the bill and assess the impact of that rule, the Division anticipates needing an additional 0.08 FTEs for its Administrative Procedure Act (APA) function. The additional staff time is expected to cost \$3,068 each fiscal year. The Division stated that in addition to the increased FTE's in their APA function, there would be an increase of 26 hours in other staff review per year. The Division did not include a cost estimate for this additional staff time. DCD also expects an increased postage cost estimated to be \$300 in FY 2005-06 and in FY 2008-09 associated with a survey of child care facilities.

Division of Facility Services (DFS) – The Division is the primary agency responsible for licensing public and private healthcare providers in the State. As such, DFS proposes rules that are expected to impact private providers and would be subject to the provisions of this bill. In FY 2005-06, DFS is anticipating only a partial year's cost for additional personnel of 0.12 FTEs. At an hourly rate of \$31.73, the expected personnel cost is \$8,392 for FY 2005-06. In subsequent years, DFS estimates that 0.17 additional FTE's will be needed to manage necessary information and assess the impacts of proposed rules on small businesses. The additional staff time is estimated to cost \$11,191 each subsequent fiscal year. DFS is also projecting costs in the Division of Information Resource Management (DIRM) within the Office of the Secretary. DIRM is expected to incur information technology costs associated with software acquisition, licensing fees, and data entry. These costs range from approximately \$3,835 in FY 2005-06 to \$1,835 in subsequent years.

According to DHHS management, the bill will have no fiscal impact on the following divisions: Social Services, Office of Educational Services, Services to the Blind, Services to the Deaf and Hard of Hearing, Mental Health, Developmental Disabilities, and Substance Abuse Services, the Vocational Rehabilitation, and Public Health.

Department of Labor (DOL) -- The Department is responsible for promoting the health, safety and general well being of more than four million workers statewide. It regulates activities ranging from the installation and operation of elevators to youth employment and migrant housing. Additionally, DOL regulates virtually all businesses in the State pursuant to the Occupational Safety and Health Act and the Wage and Hour Act. DOL estimates that it will need 12 new FTE and additional funds to conduct large surveys of businesses for information required to prepare economic impact statements and to acquire data on small businesses to conduct the required impact analyses. Due to uncertainty on the part of DOL as to how many economic impact statements it may be required to prepare from one year to the next and from one bureau to the next, DOL assumes that it would be necessary to prepare a total of 8 economic impact statements annually, or one statement per bureau per year.

DOL projects that it would need data on small businesses necessary to identify the number that would be affected by a proposed rule and to answer the questions included in Section 1, Subsections 150B-21.7b(a)(1) to (a)(4) of the bill. To obtain such data, DOL would survey existing businesses that are already included in five of its bureaus' databases and purchase North Carolina business information from a third-party source. The purchased data would be used to obtain a random sample of businesses for the remaining three of its eight departmental bureaus that do not maintain business information databases. DOL estimates that it will need to conduct a total of 60,975 surveys in FY 2005-06 and 42,225 surveys in FY 2006-07 and each subsequent fiscal year thereafter. These surveys would require development, processing, collection, and analysis. DOL's anticipated mailing and data acquisition costs would be \$26,152 in FY 2005-06 (60,975 surveys * \$0.323 mailing cost per survey = \$19,695 in mailing cost, and \$6,457 in data costs for 28,074 data records * \$0.23 per record * 3 bureaus) and \$13,639 in FY 2006-07 and each fiscal year thereafter (42,225 surveys * \$0.323 mailing cost per survey). DOL's \$0.323 per mailed survey estimate includes \$0.292 cents for postage, \$0.026 per envelope, and \$0.005 per one-page sheet. For the remaining three bureaus' data needs for determining small business impact, DOL would purchase data on a random sample of 9,358 businesses of the approximate 365,090 small businesses in North Carolina that employ 250 or less people. DOL indicates it would need to annually update its small business survey to keep it accurate, but has not identified how it would accomplish that or its anticipated cost.

Based on the number of surveys DOL proposes to conduct and estimating that each survey would need 1.5 staff hours to process, survey processing would require 91,463 staff hours in FY 2005-06 [32,901 surveys + (9,358 surveys * 3 bureaus) * 1.5 staff hours] and 63,338 staff hours [14,151 surveys + (9,358 * 3 bureaus) * 1.5 staff hours] for FY 2006-07 and each fiscal year thereafter. To begin addressing the increased workload, DOL estimates that it will need at least 12 new FTE (Program Assistant V, with a midpoint salary and fringe of \$36,661 per FTE) at a cost of \$439,932 in FY 2005-06 and subsequent years.

Office of State Budget and Management (OSBM) -- OSBM anticipates that State agencies, subject to the Administrative Procedures Act (APA), may increase their requests for OSBM's assistance in preparing fiscal notes and statements of economic impact for proposed rules as permitted under G.S. 150B-21.4(b1). OSBM estimates that this increased demand for its assistance would require OSBM to add one (1) FTE and subscribe to a national business database

that would provide small business and other regional business data needed to prepare economic impact statements. OSBM estimates a fiscal cost of \$57,893 (FY 2005-06) for an Advanced Economic Analyst position (\$56,193 salary and fringe at salary grade 78) and a non-recurring computer equipment cost of \$1,700, which includes the cost of the database subscription. OSBM's estimate is based on a salary amount above the minimum salary level and applies an inflationary increase beginning in FY 06-07 (FY 06-07, \$57,967; FY 07-08, \$59,624; FY 08-09, \$61,216; FY 09-10, \$62,640).

Office of the Secretary of State (SOS) – The responsibilities of the Secretary of State include (1) administering the State's securities laws, (2) registering and renewing trademarks and service marks under the State's statutory provisions, (3) ensuring uniform compliance with the statutes governing the creation of corporations, limited partnerships and limited liability companies, recording the information required to be kept as a public record for those entities, and providing that information to the public; (4) administering the State's Uniform Athlete Agents Act; (5) registering and regulating legislative lobbying; (6) offering a repository of records of UCC and federal lien documents; and (7) licensing any organization or person that intends to directly solicit contributions in the State or intends to hire a person or business to solicit contributions in the State. SOS estimates that to comply with the bill will cost \$120,564 in FY 2005-06, and \$96,014 in subsequent fiscal years. This estimated cost includes recurring salary and fringes for an agency Legal Specialist (salary grade 73) and a Processing Assistant IV (salary grade 59), both salaries budgeted at the midpoint. SOS estimated the total recurring operating costs to be \$6,144 for supplies, telephones/communication, software and database subscription, travel, and training. SOS also estimated non-recurring start-up cost of \$24,550 for equipment, telephones, and office furniture for FY 2005-06

Department of State Treasurer (DST) – The Department reported that it doesn't need additional FTE to implement the requirements of the bill. DST estimates, however, that to comply with the bill would require 100 hours of staff time in FY 2005-06 for an initial review of its existing rules and 40 hours of staff time annually for an on-going review of proposed permanent rules and amendments to existing permanent rules. The estimated cost of the staff time is \$5,000 for FY 2005-06 and \$2,000 for subsequent fiscal years.

Department of Commerce (DOC) – Section 2 of the bill establishes a Small Business Regulatory Review Committee within the Department of Commerce. The Committee will consist of fifteen (15) members; ten (10) of the members are to be appointed by the Governor. The members are to serve terms of four years, with a maximum of two consecutive terms (except that 3 members initially appointed by the Governor will serve for one two-year term). The Committee is required to:

1. Provide information to state agencies proposing (published in the North Carolina Register) permanent rules with the potential to have an adverse impact on small businesses. (The Committee must provide recommendations and comments to the agency within 30 days for receiving the proposed rule); and
2. Review any permanent rule proposed by an agency for which the agency has notified the Committee that the proposed rule potentially has an adverse impact on small businesses and make recommendations to the agency and the General Assembly.

The bill requires DOC to provide support and provide staff for the Small Business Review Committee. Based on information provided by DOC, the total cost associated with providing staff and support for the Committee is \$98,254 per fiscal year. The total projected cost is based on the following:

➤ Establish 1.0 FTE (support staff position)	= \$ 51,655
➤ Travel and Subsistence Expenses for 15 members - Assumes 12 meetings per year	= \$ 41,268
➤ Other Associated Costs (Additional administrative/fiscal staff @13.50/hr)	= <u>\$ 5,331</u>
Total DOC Cost	= \$ 98,254

Receipt-Supported Agencies:

North Carolina Cemetery Commission –The Commission regulates and monitors the activities of all State-licensed cemeteries. The Commission estimates that the legislation will require additional staff time. In FY 2005-06, the Commission estimates that the fiscal impact would be \$2,500 (\$2,000 in staff expenses and \$500 in operating expenses, including copying, paper, and mileage). In FY 2006-07, Commission estimates the fiscal impact would be \$1,900 (\$1,400 in staff time and \$500 for operating expenses); FY 2007-08, \$1,800 (\$1,300 for staff time and an estimated \$500 for operating expenses); and in both Fiscal Years 2008-09 and 2009-10, the Commission projects an estimated fiscal impact of \$1,500 (\$1,000 for Commission staff time and \$500 for operating expenses).

State Banking Commission -- The Commission is responsible for regulating North Carolina’s State banks and trust companies, as well as registering and licensing various financial institutions operating in the State, including check-cashers, consumer finance companies, mortgage bankers and mortgage brokers, money transmitters, and refund anticipation lenders. The Commission estimates that compliance with the bill will cost \$66,500 in FY 2005-06 (this estimate includes 600 hours of senior staff work billed at \$75 per hour, plus \$21,000 in billed contractual labor from the Attorney General’s Office based on an estimated 3 rules to prepare, and \$500 for office supplies). In Fiscal Years 2006-07 through 2009-10, the Commission projects fewer billable senior staff hours will be required to comply with the bill. The fiscal impact for FY 2006-07 through FY 2009-10 is projected to be \$38,375 annually (225 senior staff work billed at \$75 per hour, plus \$21,000 in billed contractual labor from the Attorney General’s Office for 3 rules and \$500 for office supplies).

SOURCES OF DATA: All state agencies referenced in this fiscal note.

TECHNICAL CONSIDERATIONS: The bill could address whether there should be a centralized ‘small business’ database for all state agencies to use. Centralizing this resource could reduce duplicative agency efforts and expense involved with multiple state agencies relying on purchased third-party data on small businesses in North Carolina.

The proposed modifications to APA permanent rule making may result in a longer rule-making process. Neither the state agencies nor Fiscal Research attempted to determine if there would be any fiscal impact on state agencies operations if the permanent rule-making process were to be lengthened.

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Signed Copy Located in the NCGA Principal Clerk's Offices