

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE DRH90019-LB-132 (02/11)

Short Title: Economic Impact/Regulatory Legislation. (Public)

Sponsors: Representatives Dollar, Rhyne, McElraft, and Folwell (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE ECONOMIC IMPACT STATEMENTS ON ALL BILLS THAT
3 PROPOSE REGULATORY CHANGES, SIMILAR TO THE FISCAL NOTES THAT
4 AGENCIES MUST PREPARE DURING RULE MAKING.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Chapter 120 of the General Statutes is amended by adding a new
7 Article to read:

8 "Article 6E.

9 "Regulatory Legislation Economic Impact Statements.

10 **"§ 120-30.61. Regulatory legislation that has substantial economic impact must be**
11 **accompanied by economic impact statement.**

12 (a) Every bill introduced in the General Assembly proposing any change in the law that
13 is regulatory in nature that could cause a substantial economic impact on entities regulated by
14 the legislation shall have attached to it at the time of its consideration by the General Assembly
15 an economic impact statement prepared by the Fiscal Research Division. The economic impact
16 statement shall identify and estimate, for the first five fiscal years the proposed change would
17 be in effect, all costs of the proposed legislation on entities regulated by it. If, after careful
18 investigation, the Fiscal Research Division determines that no dollar estimate is possible, the
19 economic impact statement shall contain a statement to that effect, setting forth the reasons
20 why no dollar amount can be given. No comment or opinion shall be included in the economic
21 impact statement with regard to the merits of the measure for which the note is prepared, but
22 technical and mechanical defects may be noted. As used in this Article, the term "substantial
23 economic impact" means an aggregate financial impact on:

24 (1) All persons affected of at least one million dollars (\$1,000,000) in a
25 12-month period; or

26 (2) Any one person of at least one thousand dollars (\$1,000) in a 12-month
27 period.

28 (b) The sponsor of each bill to which this section applies shall present a copy of the bill
29 with the request for an economic impact statement to the Fiscal Research Division. The Fiscal
30 Research Division shall prepare the economic impact statement and transmit it to the sponsor
31 within two weeks after the request is made, unless the sponsor agrees to an extension of time.

32 (c) This economic impact statement shall be attached to the original of each proposed
33 bill that is reported favorably by any committee of the General Assembly, but shall be separate
34 from the bill and shall be clearly designated as an economic impact statement. An economic



1 impact statement attached to a bill pursuant to this subsection is not a part of the bill and is not
2 an expression of legislative intent proposed by the bill.

3 (d) If a committee of the General Assembly reports favorably a proposed bill with an
4 amendment that proposes a change in the law that could cause a substantial economic impact to
5 entities regulated by it, the chair of the committee shall obtain from the Fiscal Research
6 Division and attach to the amended bill an economic impact statement as provided in this
7 section.

8 (e) Upon the request of the Fiscal Research Division: (i) the Office of State Budget and
9 Management, (ii) the Department of Revenue, (iii) the Department of the State Treasurer, (iv)
10 the Department of the State Auditor, and (v) the State department most directly concerned shall
11 assist the Fiscal Research Division in the preparation of the economic impact statement.

12 (f) Copies of economic impact statements prepared by the Fiscal Research Division
13 shall be furnished to the sponsor of the bill.

14 **"§ 120-30.62. Legislation introduced by request.**

15 Any State department, institution, agency, or other authority requesting a member or
16 members of the General Assembly to introduce regulatory legislation which if enacted would
17 have a substantial fiscal impact on entities regulated by the legislation shall furnish to such
18 member or members, and to the Fiscal Research Division, an economic impact statement
19 containing a realistic estimate of the effect of the measure for the ensuing two fiscal periods."

20 **SECTION 2.** This act becomes effective January 1, 2012.