

**ADMINISTRATIVE RULES HAVING A  
FISCAL IMPACT ON  
LOCAL GOVERNMENTS**

**Office of State Budget and Management  
March 1, 2000**

# Introduction

On May 17, 1994, Governor Hunt 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. In 1995, the General Assembly incorporated these policies as well as other changes in the Administrative Procedure Act (APA). For several years, the APA required state agencies to analyze proposed permanent rules and determine their fiscal impact on local governments. The revised APA enables local governments to have more input in the rule-making process, in particular, in estimating the fiscal impact of permanent rules on local budgets. Further, under the new APA guidelines, state agencies will become more aware of the importance of considering a proposed rule’s impact on local governments.

G.S. 150B-21.28 charges the Office of State Budget and Management with the preparation of an annual report that includes:

1. A summary of the projected fiscal impact on local governments of rules adopted during the preceding fiscal year and,
2. A schedule of anticipated rule actions that will affect local governments in the upcoming fiscal year.

G.S. 150B-21.28 requires that the Office of State Budget and Management provide a copy of the report to the Governor, the General Assembly, the North Carolina Association of County Commissioners, and the North Carolina League of Municipalities by March 1 of each year. The Office of State Budget based the report on a survey of all departments in state government as well as numerous boards and commissions.

**Table of Contents**

**Page**

**PART I. RULES ADOPTED IN 1998-1999 THAT IMPACT LOCAL GOVERNMENTS**

<b>North Carolina Board of Cosmetic Art Examiners</b> .....	1
<b>Department of Environment and Natural Resources</b>	
Division of Air Quality... ..	1
Commission for Health Services.....	1
Division of Parks and Recreation.....	2
Division of Water Quality.....	2
<b>Department of Health and Human Services</b>	
Division of Epidemiology.....	3
Division of Facility Services.....	4
Division of Medical Assistance .....	4
Division of Social Services.....	4
<b>Department of Insurance</b>	
Engineering.....	5
<b>Department of Justice</b>	
Criminal Justice Training Standards Commission.....	5
Sheriff's Education & Training Standards Commission .....	5
<b>North Carolina Board of Employee Assistance Professionals</b> .....	6
<b>North Carolina Wildlife Resources Commission</b> .....	6

**Part II. RULES TO BE ADOPTED IN FY 2000-2001 THAT MAY AFFECT LOCAL GOVERNMENTS**

**North Carolina Board of Cosmetic Art Examiners** .....8

**Department of Environment and Natural Resources**

    Division of Air Quality.....8

    Division of Environmental Health.....8

    Division of Water Quality.....9

**Department of Justice**

    Sheriff’s Education and Training Standards.....9

**Department of Health and Human Services**

    Division of Child Development.....9

    Division of Facility Services.....10

    Division of Medical Assistance.....10

    Social Services Commission.....10

**North Carolina Auctioneer Licensing Board**.....10

**Office of the Governor**

    Office of Juvenile Justice..... 10

**State Board of Elections**.....11

This report represents the consolidated response of North Carolina State Agencies, boards and commissions.

**PART I**

**RULES ADOPTED IN FY 1998-1999 THAT IMPACT LOCAL GOVERNMENTS**

**OFFICE OF STATE BUDGET AND MANAGEMENT  
ANNUAL SUMMARY REPORT  
RULES ADOPTED IN FY98-99 THAT IMPACT LOCAL GOVERNMENTS**

Agency	Division	Rule Citation Number	Rule Description	Adopt Date	Effective Date	Local Impact FY98-99	Local Impact FY99-00	Local Impact FY00-01	Local Impact FY01-02	Local Impact FY02-03	Agency Contact
Bd. of Cosmetic Art	State Bd of Examiners	21 NCAC 14P .0102- .0116	Imposes civil penalties	5/20/99	8/1/00	\$0	-\$32,500	-\$71,250	-\$74,350	-\$74,350	Dee Williams  (919)733-4117
DENR	Air Quality	15A NCAC 02D .1201-.1206, .1208, .1209	Amends rules to incorporate federal emission guidelines for hospital, medical & infectious waste incinerators (HMIWI). Makes changes to the training & certification rules to include HMIWI operators and sets a compliance schedule for HMIWI.	11/23/98	4/1/99	\$886,650	\$886,650	\$886,650	\$886,650	\$886,650	Thom Allen  (919)733-1489
DENR	Comm. for Health Services	15A NCAC 13B.1624	Permits operators of landfills to use an alternative, less expensive type of liner.	8/20/98	4/1/99	-\$5,409,600	-\$5,409,600	-\$5,409,600	-\$5,409,600	-\$5,409,600	Joan Troy  (919)733-0692

Effective date shown is proposed.  
Savings or additional revenue indicated by minus sign (-).  
Adoption date is estimated.  
NA means not applicable.

**OFFICE OF STATE BUDGET AND MANAGEMENT  
ANNUAL SUMMARY REPORT  
RULES ADOPTED IN FY98-99 THAT IMPACT LOCAL GOVERNMENTS**

Agency	Division	Rule Citation Number	Rule Description	Adopt Date	Effective Date	Local Impact FY98-99	Local Impact FY99-00	Local Impact FY00-01	Local Impact FY01-02	Local Impact FY02-03	Agency Contact
DENR	Parks & Recreation	15A NCAC 12B .0901	Authorizes the use of pyrotechnics, under certain circumstances, in state parks.	2/8/99	4/1/99	\$100	\$100	\$100	\$100	\$100	Gina Rutherford (919)715-8710
DENR	Water Quality	15A NCAC 02B .0245, .0246, .0247, .0249, .0250, .0251	Rules affect the reclassification of portions of the Deep River for Randleman Lake Reservoir.	12/21/98	4/1/99	\$3,416,600	\$3,416,600	\$3,416,600	\$3,416,600	\$3,416,600	Liz Kovasckitz (919)733-5083
DENR	Water Quality	15A NCAC 02B.0308	Reclassifies Lookout Shoals Lake in Alexander, Catawba, and Iredell Counties.	7/20/98	4/1/99	\$0	\$11,000	\$0	\$0	\$0	Liz Kovasckitz (919)733-5083

Effective date shown is proposed.  
Savings or additional revenue indicated by minus sign (-).  
Adoption date is estimated.  
NA means not applicable.

**OFFICE OF STATE BUDGET AND MANAGEMENT  
ANNUAL SUMMARY REPORT  
RULES ADOPTED IN FY98-99 THAT IMPACT LOCAL GOVERNMENTS**

Agency	Division	Number	Rule Description	Date	Effective	Local Impact	Local Impact	Local Impact	Local Impact	Local Impact	Agency Contact
										<b>FY02-03</b>	
DENR	Water Quality	15A NCAC 02B.0308,.0309	Revise outer boundary of two WS-IV (water supply) Protected Area boundaries and relocate a WS-IV Critical Area. The rules affect the Catawba and Yadkin River basins.	4/1/99	5/20/98	\$10,325	\$0	\$0	\$0	\$0	Steve Zoufaly  (919)733-5083
DENR	Water Quality	15A NCAC 08G .0201, .0204, .0306, .0402, .0701	Affects the requirements for certification and the activities of certified water pollution control system operators, the classification of water pollution control systems, and the requirements for Operators in Responsible Charge.	11/23/98	4/1/99	\$300,408	\$300,408	\$300,408	\$300,408	\$300,408	Bo McMinn  (919)733-0026
DHHS	Epidem.	15 NCAC 19C .0206	Sets the allowable fee paid to members of the Advisory Medical Committee to no more than \$40 per x-ray film examined for the Dusty Trades Program.	11/23/98	4/1/99	\$9,552	\$9,552	\$9,552	\$9,552	\$9,552	Marcus Lodge  (919)733-6920

Effective date shown is proposed.  
Savings or additional revenue indicated by minus sign (-).  
Adoption date is estimated.  
NA means not applicable.

**OFFICE OF STATE BUDGET AND MANAGEMENT  
ANNUAL SUMMARY REPORT  
RULES ADOPTED IN FY98-99 THAT IMPACT LOCAL GOVERNMENTS**

Agency	Division	Rule Citation Number	Rule Description	Adopt Date	Effective Date	Local Impact FY98-99	Local Impact FY99-00	Local Impact FY00-01	Local Impact FY01-02	Local Impact FY02-03	Agency Contact
DHHS	Facility Services	10 NCAC 03R .6107, .6112, .6120-.6124, .6129 98	The 1998 update of the State Medical Facilities Plan. The plan projects the need for specific health care facilities and services throughout the state. The local cost is the expected local share of Medicaid expenditures.	10/22/98	4/1/99	\$0	\$278,416	\$602,652	\$763,027	\$763,027	Jackie Sheppard (919)733-2342
DHHS	Medical Assistance	10 NCAC 26H .0304	Requires the installation of fire sprinkler systems in many ICF-MR units. Facilities that have been cited for a lack of fire safety under the NC. Building Code will be required to install sprinkler systems.	11/4/98	4/1/99	\$139,500	\$0	\$0	\$0	\$0	Portia Rochelle (919)857-4094
DHHS	Social Services	10 NCAC 42R.0201	Increases maximum rates for providers of adult day care and adult day health. The last rate change was in the early 1980s.	9/8/98	4/1/99	\$68,515	\$137,031	\$137,031	\$137,031	\$137,031	Geoffrey Santoliquido (919)733-3818

Effective date shown is proposed.

Savings or additional revenue indicated by minus sign (-).

Adoption date is estimated.

NA means not applicable.

**OFFICE OF STATE BUDGET AND MANAGEMENT  
ANNUAL SUMMARY REPORT  
RULES ADOPTED IN FY98-99 THAT IMPACT LOCAL GOVERNMENTS**

Agency	Division	Rule Citation Number	Rule Description	Adopt Date	Effective Date	Local Impact FY98-99	Local Impact FY99-00	Local Impact FY00-01	Local Impact FY01-02	Local Impact FY02-03	Agency Contact
Insurance	Engineering	State Building Code	Adopts a new accessibility code; Volume I-C. Local building inspectors are required to enforce this code. Changes obligate architects to follow more building codes and local building inspectors are expected to spend more time performing inspections.	9/16/98	7/1/99	\$6,154,427	\$6,659,706	\$7,206,468	\$7,798,119	\$7,798,119	Jeff Kanner  (919)733-3901
Justice	Criminal Justice Training & Stds. Comm.	12 NCAC 9B .0205, .0228, .0232, .0233, .0406	Increases the minimum employment and training standards for criminal justice officer's, expands the curriculum of Basic Law Enforcement Training, and sets the minimum course hours at 602 from 460.	4/26/99	8/1/00	\$0	\$54,116	\$54,116	\$34,800	\$34,800	Elizabeth Thompson (919)716-6470
Justice	Sheriffs' Ed. & Training Stds. Comm.	12 NCAC 10B .0103, .0601, .0703, .0908, .1400, .0502	Expands the minimum employment and training standards for certification of Deputies and Detention Officers.	5/20/99	8/1/00	\$0	\$59,076	\$54,420	\$54,420	\$54,420	Peggy B. Bilbrey (919)716-6460

Effective date shown is proposed.

**OFFICE OF STATE BUDGET AND MANAGEMENT  
ANNUAL SUMMARY REPORT  
RULES ADOPTED IN FY98-99 THAT IMPACT LOCAL GOVERNMENTS**

Agency	Division	Rule Citation Number	Rule Description	Adopt Date	Effective Date	Local Impact FY98-99	Local Impact FY99-00	Local Impact FY00-01	Local Impact FY01-02	Local Impact FY02-03	Agency Contact
NC. Bd. of Employee Assist. Prof.	NCBEAP	21 NCAC 11 .0101-.0112	Adopts rules governing the North Carolina Board of Employee Assistance Professionals, (NC.BEAP). Rules cover the operations of the board and the licensing standards of professionals.	9/21/98	4/1/99	\$0	\$0	\$375	\$0	\$0	Charlotte Hall  (919)733-4774
Wildlife Resources Comm.	Wildlife	15A NCAC 10F .0310	Establishes a no-wake zone in Dare County.	1/1/99	7/1/00	\$900	\$0	\$0	\$0	\$0	Barbara Rote  (919)733-3391
Wildlife Resources Comm.	Wildlife	15A NCAC 10F .0342	Establishes a no-wake zone in Catawba County.	1/6/99	7/1/00	\$300	\$0	\$0	\$0	\$0	Barbara Rote  (919)733-3391

Effective date shown is proposed.

Savings or additional revenue indicated by minus sign (-).

Adoption date is estimated.

NA means not applicable.

**OFFICE OF STATE BUDGET AND MANAGEMENT  
ANNUAL SUMMARY REPORT  
RULES ADOPTED IN FY98-99 THAT IMPACT LOCAL GOVERNMENTS**

Agency	Division	Rule Citation Number	Rule Description	Adopt Date	Effective Date	Local Impact FY98-99	Local Impact FY99-00	Local Impact FY00-01	Local Impact FY01-02	Local Impact FY02-03	Agency Contact
Wildlife	Wildlife Resources Comm.	15A NCAC 10F.0330	Establishes a no-wake zone in Carteret County.	3/31/99	7/1/00	\$1,200	\$750	\$0	\$0	\$0	Richard Hamilton (919)733-3391

---

Effective date shown is proposed.

Savings or additional revenue indicated by minus sign (-).

Adoption date is estimated.

NA means not applicable.

**PART II**

**RULES TO BE ADOPTED IN FY 2000-2001 THAT MAY AFFECT LOCAL  
GOVERNMENTS**

**OFFICE OF STATE BUDGET AND MANAGEMENT**  
**ANNUAL SUMMARY REPORT**  
**RULES TO BE ADOPTED IN FY00-01 THAT MAY AFFECT LOCAL GOVERNMENT**

<b>Department</b>	<b>Division</b>	<b>Proposed Rule Citation Number (if known)</b>	<b>Rule Description</b>	<b>Proposed Action- Adopt (AD), Amend (A), Repeal (R)</b>	<b>Federal Law Citation</b>	<b>Agency Contact/ Phone No.</b>
Bd. of Cosmetic Art	Enforcement	21 NCAC 14P .0105, .0107, .0108	Create a schedule of civil penalties to be enforced by the Board.	A	N/A	Dee Williams  (919) 733-4117
DENR	Air Quality	15A NCAC 2D .1201-.1206, .1208, .1209	Adopts rules affecting hospital medical waste incinerators.	AD	N/A	Thom Allen  (919) 733-1489
DENR	Air Quality	15A NCAC 2D .2100	Amends the Accidental Prevention Release Program.	A	N/A	Thom Allen  (919) 733-1489
DENR	Environmental Health	15A NCAC 18A .1300	Adopts rules for hospitals, nursing homes, and other health institutions.	AD	N/A	Jim Hayes  (919) 715-0924
DENR	Environmental Health	15A NCAC 18A .1900	Makes changes to rules covering on site wastewater system permitting, location, construction, treatment, and the disposal of soils.	A	N/A	Steve Steimbeck  (919) 733-2895
DENR	Environmental Health	15A NCAC 18A .3300	Establishes rules to reduce the cost of opening an adult day care facility by allowing a facility to bypass the current .1300 rules.	AD	N/A	Jim Hayes  (919) 715-0924

---

NA means not applicable.

**OFFICE OF STATE BUDGET AND MANAGEMENT  
ANNUAL SUMMARY REPORT  
RULES TO BE ADOPTED IN FY00-01 THAT MAY AFFECT LOCAL GOVERNMENT**

Department	Division	Proposed Rule Citation Number (if known)	Rule Description	Proposed Action- Adopt (AD), Amend (A), Repeal (R)	Federal Law Citation	Agency Contact/ Phone No.
DENR	Water Quality	15A NCAC 2R .042	Establishes the applicant fee(s) for Section 401 WQ certification and Section 404 permits. Fees paid to the Wetlands Restoration Fund for the compensatory mitigation requirements of the permit.	AD	N/A	Ron Ferrell  (919) 733-5219
Department of Justice	Sheriffs Standards	12 NCAC 10B .0700	Sets minimum standards for justice officer schools and training programs and courses.	A	N/A	Peggy Bilbrey  (919) 716-6460
Department of Justice	Sheriffs Standards	12 NCAC 10B .0800	Establishes accreditation of justice officer schools and training courses.	A	N/A	Peggy Bilbrey  (919) 716-6460
Department of Justice	Sheriffs Standards	12 NCAC 10B .0900	Sets minimum standards for justice officer instructors.	A	N/A	Peggy Bilbrey  (919)716-6460
Department of Justice	Sheriffs Standards	12 NCAC 10B .1300	Sets minimum training standards for telecommunicators.	A	N/A	Peggy Bilbrey  (919) 716-6460
DHHS	Child Development	10 NCAC 3U .2510	Requires specific school-age care training for staff working in licensed school-age child care programs.	A	N/A	Janice Fain  (919) 662-4543

NA means not applicable.

**OFFICE OF STATE BUDGET AND MANAGEMENT**  
**ANNUAL SUMMARY REPORT**  
**RULES TO BE ADOPTED IN FY00-01 THAT MAY AFFECT LOCAL GOVERNMENT**

Department	Division	Proposed Rule Citation Number (if known)	Rule Description	Proposed Action- Adopt (AD), Amend (A), Repeal (R)	Federal Law Citation	Agency Contact/ Phone No.
DHHS	Facility Services	10 NCAC 3R	Adopt rules for the year 2001 State Medical Facilities Plan.	AD	N/A	Jackie Sheppard  (919) 733-2342
DHHS	Medical Assistance	10 NCAC 50B	Sets new ICF/MR criteria.	AD	U.S.C. 435:1009	Portia Rochelle  (919) 857-4094
DHHS	Medical Assistance	10 NCAC 50B .0311	Proposed rule describes countable resources when determining eligibility for Medicaid. Amends requirements for excluding resources owned by incompetent individuals.	A	U.S.C Section 1396	Portia Rochelle  (919) 857-4094
DHHS	Social Services Commission	10 NCAC 42 .0801-.0810	Adult Care Home Resident Evaluation Services Framework. County departments of social services are required to implement Adult Care Home Resident Evaluation Services in compliance with Session Laws 1999-237.	AD	N/A	Sharnese Ransome  (919) 733-3055
N.C. Auctioneer Licensing Board	Licensing	21 NCAC 4B .040(a)	Impose Civil Penalties.	A	N/A	Robert Hamilton  (919) 981-5066
Office of the Governor	Juvenile Justice	10 NCAC 44B .0100 - 44F .1707	Rewrites existing rules to comply with the Juvenile Justice Reform Act of 1998.	AD, A, R	NA	Tara Minter  (919) 733-3011

---

NA means not applicable.

**OFFICE OF STATE BUDGET AND MANAGEMENT**  
**ANNUAL SUMMARY REPORT**  
**RULES TO BE ADOPTED IN FY00-01 THAT MAY AFFECT LOCAL GOVERNMENT**

<b>Department</b>	<b>Division</b>	<b>Proposed Rule Citation Number (if known)</b>	<b>Rule Description</b>	<b>Proposed Action- Adopt (AD), Amend (A), Repeal (R)</b>	<b>Federal Law Citation</b>	<b>Agency Contact/ Phone No.</b>
State Board of Elections	Voting Systems	8 NCAC 10 .0101-.0106 & 11 .0101-.0106	Requires new voting machines, purchased by local boards, to have the capability to rotate candidates names on primary election ballots.	A	N/A	Zee Lamb  (919) 733-7173

---

NA means not applicable.