

Summary of Rules Adopted in FY 05-06 that Affected Local Government Finances

**Compiled by the Office of State Budget and Management, Office of the Governor
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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). The revised APA enables local governments to have more input in the rule-making process and more involvement in estimating the fiscal impact of permanent rules on local budgets. State agencies also must be more aware of a proposed rule’s impact on local governments.

In addition, the APA (G.S. 150B-21.28) charges the Office of State Budget and Management (OSBM) to prepare a summary of the projected fiscal impact on local governments of rules adopted during the preceding fiscal year.

The APA requires that OSBM provide a copy of the summary 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 OSBM bases the summary on a survey of all rule-making departments, boards, and commissions in state government.

Summary

Three agencies adopted 16 rules in FY 05-06 that affected local government finances. These rules cost local governments over \$3 Million a year. A list of the rules follows.

Office of State Budget and Management Annual Summary Report Rules Adopted in FY05-06 That Impact Local Government

| Department | Division | Rule Citation Number | Rule Description | Adopt Date | Effective Date | Local Impact FY05-06 | Local Impact FY06-07 | Local Impact FY07-08 | Local Impact FY08-09 | Local Impact FY09-10 | Agency Contact |
|------------|----------------------|---|--|------------|----------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------------|
| DENR | Air Quality | 15A NCAC 02D .1902, .1903, .1904, .1906 | Open Burning | 10/13/05 | 12/1/05 | \$2,800 | \$2,800 | \$2,800 | \$2,800 | \$2,800 | Thom Allen 919-733-1489 |
| DENR | Environmental Health | 15A NCAC 18C .1523 | Require special notification to consumers when distribution drinking water samples are collected from their private property which is not owned or controlled by the supplier of water and contaminant levels exceed specified criteria. | 8/16/06 | 10/1/06 | \$0 | \$23,730 | \$23,730 | \$23,730 | \$23,730 | Linda Raynor 919 715-3225 |
| DENR | Environmental Health | 15A NCAC 18C .2007 | Improve control of microbial pathogens in drinking water and address risk trade-offs with disinfection byproducts. | 8/17/05 | 11/1/05 | \$349,930 | \$349,930 | \$349,930 | \$349,930 | \$349,930 | Linda Raynor 919 715-3226 |
| DENR | Environmental Health | 15A NCAC 18D .0202 | Mandate water treatment facility operators to retake the appropriate school when they have failed the same certification examination three times. | 3/14/06 | 5/1/06 | \$6,392 | \$6,392 | \$6,392 | \$6,392 | \$6,392 | Lancie Bailey 919 715-9571 |
| DENR | Waste Management | 15A NCAC 13B .0532-.0547 | Provide regulatory guidance for the development of new & the continued operation of construction & demolition landfills operating on top of closed MSW landfills. | 8/16/06 | 1/1/07 | \$0 | \$436,750 | \$436,750 | \$436,750 | \$436,750 | Ed Mussler 919-508-8510 |

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|------------|-------------------|--|---|------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------------------|
| DENR | Water Resources | 15A NCAC 02E .0604 | Annual electronic reporting of water use and withdrawal data by water systems. | 7/13/06 | Pending Leg. Review | \$0 | \$123,763 | \$12,163 | \$12,163 | \$12,163 | Linwood Peele 919-715-5455 |
| DENR | Water Resources | 15A NCAC 02T .0101-.0118, .0120, .0301-.0307, .0401-.0406, .0501-.0507, .0901-.0916, .1101-.1112 | Increase requirements for waste disposal systems that do not discharged to surface waters. (Note: .0915 not adopted until 11/9/06) | 5/11/06 | 9/1/06 | \$160,717 | \$686,321 | \$696,321 | \$706,321 | \$732,161 | Kim Colson 919-715-6165 |
| | | | | | | | | | | | |
| DHHS | Child Development | 10A NCAC 09 .0301, .0707, .2201 | Set the requirements for the safety of Children in Child Care Facilities. | 11/10/05 | 1/1/06 | \$32,498 | \$66,940 | \$68,948 | \$71,016 | \$73,147 | Dedra Alston 662-4543 |
| DHHS | Mental Health | 10A NCAC 27G .1701-.1708 | Increases requirements for residential treatment programs where care and rehabilitation in a home environment is provided to children and adolescents who have been clinically determined to be emotionally disturbed and have some type of mental illness. | 01/18/06 | 4/3/06 | \$506,571 | \$1,160,731 | \$1,304,898 | \$1,453,175 | \$1,605,671 | Cindy Kornegay 919 733 7011 |
| DHHS | Mental Health | 10A NCAC 27G .1801-.1806 | Establish a new licensure category for Intensive Residential Treatment for Children and Adolescents and specify requirements for their operation. | 2/15/06 | 4/1/06 | \$7,283 | \$14,566 | \$14,566 | \$14,566 | \$14,566 | Cindy Kornegay 919 733 7011 |
| DHHS | Mental Health | 10A NCAC 27G .4501-.4503 | Establish a new licensure category of Substance Abuse Comprehensive Outpatient Treatment Program and specify requirements for their operation. | 2/15/06 | 4/1/06 | \$8,414 | \$33,658 | \$34,668 | \$35,708 | \$36,779 | Cindy Kornegay 919 733 7011 |

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|---------------------|------------------------|--------------------------|---|------------|-----------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------------------|
| DHHS | Mental Health | 10A NCAC 27G .4401-.4403 | Establish a new licensure category of Substance Abuse Intensive Outpatient Program and specify requirements for their operation. | 2/15/06 | 4/1/06 | \$3,182 | \$12,729 | \$13,111 | \$13,504 | \$13,909 | Cindy Kornegay 919 733 7011 |
| DHHS | Mental Health | 10A NCAC 27G .1901-.1904 | Affects the psychiatric residential treatment program where care and rehabilitation is provided to children and adolescents who have been clinically determined to have a mental illness or substance abuse dependency. | 01/18/06 | 4/1/06 | \$38,815 | \$79.96 | \$82,354 | \$84,825 | \$87,370 | Cindy Kornegay 919 733 7011 |
| | | | | | | | | | | | |
| NCDOL | Boiler Safety Bureau | 13 NCAC 13 .0303 | Specifies a fee of \$35 for reinspection or follow up inspection and increases the time to take corrective action to 60 days. | 5/19/06 | 7/1/06 | -\$1,663 | -\$1,663 | -\$1,663 | -\$1,663 | -\$1,663 | Erin Gould 919-733-7883 |
| NCDOL | Boiler Safety Bureau | 13 NCAC 13 .0213 | Increases the certificate and processing fee for each boiler or pressure vessel inspected by an Insurance Inspector; increases the inspection and certificate fee for each boiler or pressure vessel inspected by a Deputy Inspector. | 1/18/06 | 3/1/06 | \$48,133 | \$48,133 | \$48,133 | \$48,133 | \$48,133 | Erin Gould 919-733-7884 |
| NCDOL | Mine and Quarry Bureau | 13 NCAC 06 .0601 | Established temporary fees for Mine and Quarry training programs provided by the NCDOL | 11/1/05 | Expired 8/12/06 | \$3,452 | \$0 | \$0 | \$0 | \$0 | Erin Gould 919-733-7885 |
| <u>TOTAL</u> | | | | | | \$1,166,523 | \$2,964,859 | \$3,093,100 | \$3,257,349 | \$3,441,837 | |