

NORTH CAROLINA GENERAL ASSEMBLY  
1977 SESSION

CHAPTER 503  
SENATE BILL 262

AN ACT TO PROVIDE FOR ACTUARIAL NOTES EVALUATING ALL PUBLIC  
RETIREMENT SYSTEMS.

The General Assembly of North Carolina enacts:

**Section 1.** This act may be cited as the "Retirement Systems Actuarial Note Act".

**Sec. 2.** Duties and functions of Fiscal Research Division. (a) The Fiscal Research Division of the Legislative Services Commission of the General Assembly shall have authority to evaluate on a continuing basis all aspects of any State, municipal, or other retirement system, funded in whole or in part out of public funds, as to actuarial soundness. The Fiscal Research Division shall make periodic detailed reports both to the General Assembly and the Governor specifically setting forth the findings of such evaluations. In conducting its evaluations the division shall have complete access to all books and accounts of the retirement systems.

(b) No provision of this act shall be deemed or in any way construed to preclude the authority of any retirement system funded in whole or in part out of public funds to hire an actuary for any such retirement system.

(c) The Fiscal Research Division shall, in addition to the powers and functions conferred by this act, render such assistance as the Legislative Services Commission may require with respect to any other matter requiring actuarial evaluations.

**Sec. 3.** Actuarial Notes. (a) Every bill, joint resolution, and simple or concurrent resolution introduced in the General Assembly proposing any change in the law relative to any State, municipal, or other retirement system, funded in whole or in part out of public funds, shall have attached to it at the time of its consideration by any committee of either house of the General Assembly a brief explanatory statement or note which shall include a reliable estimate of the financial and actuarial effect of the proposed change in any such retirement system. This actuarial note shall be attached to the original of each proposed bill or resolution which is reported favorably by any committee of either house of the General Assembly, but shall be separate therefrom, shall be clearly designated as an actuarial note and shall not constitute a part of the law or other provisions or expression of legislative intent proposed by the bill or resolution.

(b) The author of each bill or resolution shall present a copy of the bill or resolution, with his request for an actuarial note, to the Fiscal Research Division which shall have the duty to prepare said actuarial note as promptly as possible. Actuarial notes shall be prepared in the order of receipt of request for such notes but shall be transmitted to the author or authors of the measure in quintuplicate no later than two weeks after the request for the actuarial note is made. Any person who signs an actuarial note knowing it to contain false information shall be fined not more than five hundred dollars (\$500.00) or imprisoned not more than six months, or both.

(c) The author of each bill or resolution shall also present a copy of the bill or resolution to any actuary employed by the retirement system affected by the bill or resolution in question. Such actuary shall prepare an actuarial note and transmit it to the author or authors of the measure in quintuplicate no later than two weeks after the request for the actuarial note is received. Any person who signs an actuarial note knowing it to contain false information shall

be fined not more than five hundred dollars (\$500.00) or imprisoned not more than six months, or both.

(d) The note shall be factual and shall, if possible, provide a reliable estimate of both the immediate effect and, if determinable or reasonably foreseeable, the long range fiscal and actuarial effect of the measure. If, after careful investigation, it is determined that no dollar estimate is possible, the note shall contain a statement to that effect, setting forth the reasons why no dollar estimate can be given. No comment or opinion shall be included in the actuarial note with regard to the merits of the measure for which the note is prepared. However, technical and mechanical defects may be noted.

(e) At any time any committee of either house reports any legislative instrument, to which an actuarial note or notes are attached at the time of committee consideration, with any amendment of such nature as would substantially affect the cost to or the revenues of any retirement system as stated in the actuarial note or notes attached to the measure at the time of such consideration, it shall be the responsibility of the chairman of the committee reporting such instrument to obtain from the Fiscal Research Division an actuarial note of the fiscal and actuarial effect of the change proposed by the amendment reported. Such actuarial note shall be attached to the report of the committee on the measure as a supplement thereto. A floor amendment to a bill or resolution to which an actuarial note was attached at the time of committee consideration of the bill or resolution shall not be in order, if the amendment affects the costs to or the revenues of a retirement system, unless the amendment is accompanied by an actuarial note, prepared by the Fiscal Research Division, as to the actuarial effect of the amendment.

**Sec. 4.** Partial invalidity. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

**Sec. 5.** All laws and clauses of laws in conflict with this act are hereby repealed.

**Sec. 6.** This act shall become effective upon ratification but shall apply only to legislation and amendments introduced after August 1, 1977.

In the General Assembly read three times and ratified, this the 8th day of June, 1977.