

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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PRINCIPAL CLERK

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SENATE BILL DRS35128-TQ-11A

Short Title: NC REINS Act.

(Public)

Sponsors: Senators Jarvis, Moffitt, and Sawrey (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ENACT THE REGULATIONS FROM THE EXECUTIVE IN NEED OF  
3 SCRUTINY ACT.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 150B-21.3 reads as rewritten:

6 "§ 150B-21.3. Effective date of rules.

7 (a) Temporary and Emergency Rules. – A temporary rule or an emergency rule becomes  
8 effective on the date the Codifier of Rules enters the rule in the North Carolina Administrative  
9 Code.

10 (b) Permanent Rule. – A permanent rule approved by the Commission becomes effective  
11 on the first day of the month following the month the rule is approved by the Commission, unless  
12 (i) the Commission received written objections to the rule in accordance with subsection (b2) of  
13 this section; (ii) the rule would have an aggregate economic impact on all persons  
14 affected of at least one million dollars (\$1,000,000) as calculated under G.S. 150B-21.4(b1)(3a)  
15 in a 12-month period and requires ratification by the General Assembly pursuant to subsection  
16 (b3) of this section; or (iii) unless the agency that adopted the rule specifies a later effective date.

17 (b1) Delayed Effective Dates. – Except as provided in G.S. 14-4.1, if the Commission  
18 received written objections to the rule in accordance with subsection (b2) of this section, the rule  
19 becomes effective on the earlier of the thirty-first legislative day or the day of adjournment of  
20 the next regular session of the General Assembly that begins at least 25 days after the date the  
21 Commission approved the rule, unless a different effective date applies under this section. If a  
22 bill that specifically disapproves the rule is introduced in either house of the General Assembly  
23 before the thirty-first legislative day of that session, the rule becomes effective on the earlier of  
24 either the day an unfavorable final action is taken on the bill or the day that session of the General  
25 Assembly adjourns without ratifying a bill that specifically disapproves the rule. If the agency  
26 adopting the rule specifies a later effective date than the date that would otherwise apply under  
27 this subsection, the later date applies. A permanent rule that is not approved by the Commission  
28 or that is specifically disapproved by a bill enacted into law before it becomes effective does not  
29 become effective.

30 A bill specifically disapproves a rule if it contains a provision that refers to the rule by  
31 appropriate North Carolina Administrative Code citation and states that the rule is disapproved.  
32 Notwithstanding any rule of either house of the General Assembly, any member of the General  
33 Assembly may introduce a bill during the first 30 legislative days of any regular session to  
34 disapprove a rule that has been approved by the Commission and that either has not become  
35 effective or has become effective by executive order under subsection (c) of this section.



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1 (b2) Objection. – Any person who objects to the adoption of a permanent rule may submit  
2 written comments to the agency. If the objection is not resolved prior to adoption of the rule, a  
3 person may submit written objections to the Commission. If the Commission receives written  
4 objections from 10 or more persons, no later than 5:00 P.M. of the day following the day the  
5 Commission approves the rule, clearly requesting review by the legislature in accordance with  
6 instructions posted on the agency's Web site pursuant to G.S. 150B-19.1(c)(4), and the  
7 Commission approves the rule, the rule will become effective as provided in subsection (b1) of  
8 this section. The Commission shall notify the agency that the rule is subject to legislative  
9 disapproval on the day following the day it receives 10 or more written objections. If the  
10 Commission receives objections from 10 or more persons clearly requesting review by the  
11 legislature, and the rule objected to is one of a group of related rules adopted by the agency at  
12 the same time, the agency that adopted the rule may cause any of the other rules in the group to  
13 become effective as provided in subsection (b1) of this section by submitting a written statement  
14 to that effect to the Codifier of Rules before the other rules become effective. A rule that requires  
15 ratification by the General Assembly pursuant to subsection (b3) of this section shall not be  
16 subject to this subsection.

17 (b3) Rules with Substantial Economic Impact. –

18 (1) A permanent rule that would have an aggregate economic impact on all  
19 persons affected of at least one million dollars (\$1,000,000) as calculated  
20 under G.S. 150B-21.4(b1)(3a) in a 12-month period shall become effective  
21 only if the General Assembly ratifies a bill to approve the rule. If a bill that  
22 specifically approves the rule is ratified by the General Assembly, the rule  
23 shall become effective on the later of (i) the first day of the month following  
24 the month that the bill ratifying the rule becomes effective or (ii) the date  
25 specified by the agency adopting the rule.

26 (2) Notwithstanding any rule of either house of the General Assembly, any  
27 member of the General Assembly may introduce a bill during any regular or  
28 special session to approve a rule upon the earlier of the following:

29 a. The day following the day that the Joint Legislative Administrative  
30 Procedure Oversight Committee has reviewed the rule and made a  
31 favorable or unfavorable recommendation to the General Assembly.

32 b. Sixty days after the Joint Legislative Administrative Procedure  
33 Oversight Committee receives the rule from the Commission, if the  
34 Joint Legislative Administrative Procedure Oversight Committee has  
35 not made a favorable or unfavorable recommendation to the General  
36 Assembly.

37 ...."

38 **SECTION 2.** G.S. 150B-21.4(b1) reads as rewritten:

39 "(b1) Substantial Economic Impact. – Before an agency publishes in the North Carolina  
40 Register the proposed text of a permanent rule change that would have a substantial economic  
41 impact and that is not identical to a federal regulation that the agency is required to adopt, the  
42 agency shall prepare a fiscal note for the proposed rule change and have the note approved by  
43 the Office of State Budget and Management. The agency must also obtain from the Office a  
44 certification that the agency adhered to the regulatory principles set forth in  
45 G.S. 150B-19.1(a)(2), (5), and (6). The agency may request the Office of State Budget and  
46 Management to prepare the fiscal note only after, working with the Office, it has exhausted all  
47 resources, internal and external, to otherwise prepare the required fiscal note. If an agency  
48 requests the Office of State Budget and Management to prepare a fiscal note for a proposed rule  
49 change, that Office must prepare the note within 90 days after receiving a written request for the  
50 note. If the Office of State Budget and Management fails to prepare a fiscal note within this time

1 period, the agency proposing the rule change shall prepare a fiscal note. A fiscal note prepared  
2 in this circumstance does not require approval of the Office of State Budget and Management.

3 If an agency prepares the required fiscal note, the agency must submit the note to the Office  
4 of State Budget and Management for review. The Office of State Budget and Management shall  
5 review the fiscal note within 14 days after it is submitted and either approve the note or inform  
6 the agency in writing of the reasons why it does not approve the fiscal note. After addressing  
7 these reasons, the agency may submit the revised fiscal note to that Office for its review. If an  
8 agency is not sure whether a proposed rule change would have a substantial economic impact,  
9 the agency shall ask the Office of State Budget and Management to determine whether the  
10 proposed rule change has a substantial economic impact. Failure to prepare or obtain approval of  
11 the fiscal note as required by this subsection shall be a basis for objection to the rule under  
12 G.S. 150B-21.9(a)(4).

13 As used in this subsection, the term "substantial economic impact" means an aggregate  
14 financial impact on all persons affected of at least one million dollars (\$1,000,000) in a 12-month  
15 period. In analyzing substantial economic impact, an agency shall do the following:

- 16 (1) Determine and identify the appropriate time frame of the analysis.
- 17 (2) Assess the baseline conditions against which the proposed rule is to be  
18 measured.
- 19 (3) Describe the persons who would be subject to the proposed rule and the type  
20 of expenditures these persons would be required to make.
- 21 (3a) Estimate the combined cost of the baseline conditions and the proposed rule.  
22 The analysis should include direct costs as well as opportunity costs. Cost  
23 estimates must be monetized to the greatest extent possible. Where costs are  
24 not monetized, they must be listed and described.
- 25 (4) Estimate any additional costs that would be created by implementation of the  
26 proposed rule by measuring the incremental difference between the baseline  
27 and the future condition expected after implementation of the rule. The  
28 analysis should include direct costs as well as opportunity costs. Cost  
29 estimates must be monetized to the greatest extent possible. Where costs are  
30 not monetized, they must be listed and described.
- 31 (5) For costs that occur in the future, the agency shall determine the net present  
32 value of the costs by using a discount factor of seven percent (7%)."

33 **SECTION 3.** G.S. 150B-21.11 reads as rewritten:

34 **"§ 150B-21.11. Procedure when Commission approves permanent rule.**

35 (a) When the Commission approves a permanent rule, it must notify the agency that  
36 adopted the rule of the Commission's approval, and deliver the approved rule to the Codifier of  
37 Rules.

38 (b) If the approved rule will increase or decrease expenditures or revenues of a unit of  
39 local government, the Commission must also notify the Governor of the Commission's approval  
40 of the rule and deliver a copy of the approved rule to the Governor by the end of the month in  
41 which the Commission approved the rule.

42 (c) If the approved rule would have an aggregate economic impact on all persons affected  
43 of at least one million dollars (\$1,000,000) as calculated under G.S. 150B-21.4(b1)(3a) in a  
44 12-month period, the Rules Review Commission shall notify the cochairs of the Joint Legislative  
45 Administrative Procedure Oversight Committee that the rule was approved."

46 **SECTION 4.** G.S. 120-70.101 reads as rewritten:

47 **"§ 120-70.101. Purpose and powers of Committee.**

48 The Joint Legislative Administrative Procedure Oversight Committee has the following  
49 powers and duties:

- 1 (1) To review rules to which the Rules Review Commission has objected to  
2 determine if statutory changes are needed to enable the agency to fulfill the  
3 intent of the General Assembly.
- 4 (2) To receive reports prepared by the Rules Review Commission containing the  
5 text and a summary of each rule approved by the Commission.
- 6 (3) Repealed by Session Laws 2009-125, s. 1, effective October 1, 2009.
- 7 (3a) To review the activities of State occupational licensing boards to determine if  
8 the boards are operating in accordance with statutory requirements and if the  
9 boards are still necessary to achieve the purposes for which they were created.  
10 This review shall not include decisions concerning board personnel matters or  
11 determinations on individual licensing applications or individual disciplinary  
12 actions.
- 13 (4) To review State regulatory programs to determine if the programs overlap,  
14 have conflicting goals, or could be simplified and still achieve the purpose of  
15 the regulation.
- 16 (5) To review existing rules to determine if the rules are necessary or if the rules  
17 can be streamlined.
- 18 (5a) To review and make recommendations on whether the General Assembly  
19 should ratify rules that would have an aggregate economic impact on all  
20 persons affected of at least one million dollars (\$1,000,000) as calculated  
21 under G.S. 150B-21.4(b1)(3a) in a 12-month period, pursuant to  
22 G.S. 150B-21.3(b3). The Committee shall review a rule and make a  
23 recommendation within 60 days of receiving the rule from the Commission.
- 24 (6) To review the rule-making process to determine if the procedures for adopting  
25 rules give the public adequate notice of and information about proposed rules.
- 26 (7) To review any other concerns about administrative law to determine if  
27 statutory changes are needed.
- 28 (8) To report to the General Assembly from time to time concerning the  
29 Committee's activities and any recommendations for statutory changes."

30 **SECTION 5.** This act is effective when it becomes law and applies to rules adopted  
31 on or after that date.