



**STATE OF NORTH CAROLINA  
OFFICE OF STATE BUDGET AND MANAGEMENT**

BEVERLY EAVES PERDUE  
GOVERNOR

ANDY WILLIS  
STATE BUDGET DIRECTOR

December 7, 2011

**MEMORANDUM**

TO: Agency Heads and Rule-Making Coordinators

FROM: Andy Willis

A handwritten signature in black ink, appearing to read "Andy Willis", written over the printed name.

SUBJECT: Annual Regulatory Reports

N.C. General Statute 150B directs OSBM to prepare two annual reports on rule reform and fiscal information: the Rules Modification and Improvement Program (RMIP) Report and the Rules with Economic Impact Report. The RMIP, which was created through Executive Order No. 70 as part of Governor Perdue's initiative to *Set Government Straight*, is intended to evaluate, reform, expand, or, where necessary, repeal existing rules and associated requirements that are unnecessary or unduly burdensome. The RMIP Report is an annual update on its progress in these areas. The Rules with Economic Impact Report is a **separate** annual report containing a schedule of anticipated rule actions in the upcoming fiscal year, as well as a summary of projected fiscal impact of rules adopted in the preceding fiscal year that affect local governments.

Implementation of these reports, as specified in G.S. 150B, will require coordination between your agency and OSBM. Several specific items are highlighted below.

**RMIP Report**

- **Progress Reports on Existing Recommendations** - The April 2011 RMIP Report contained various recommendations for rule-related actions ([http://www.osbm.state.nc.us/files/pdf\\_files/EO70Report\\_RMIP\\_2011.pdf](http://www.osbm.state.nc.us/files/pdf_files/EO70Report_RMIP_2011.pdf)). Specifically, the April 2011 RMIP Report identified 224 public comments (see table 2) and 378 agency-identified modifications that justify further action (see table 7). The report also identified 1,064 rules for repeal (see tables 4 and 5). **If your agency is listed in the tables referenced above, a progress report on each recommendation must be submitted to OSBM by February 15, 2012.** OSBM will provide further guidance on the progress report format by December 16<sup>th</sup>. In the interim, we encourage agencies to consider and organize actions taken or planned that best achieve the regulatory principles in G.S. 150B-19.1 and Executive Order No. 70.

- **Agency Evaluations of Reform Suggestions** - Similar to last year, OSBM is assembling and evaluating reform suggestions received from public comments. The suggestions with potential merit will be sent to your rule-making coordinator by December 16<sup>th</sup> for additional review. **As specified in G.S. 150B-19.2 and Executive Order No. 70, a report on whether the reform suggestions have merit and justify further action should be submitted to OSBM by January 31, 2012.** OSBM will provide further guidance on the report format.
- **Agency Review of Existing Rules** – As specified in G.S. 150B-19.1 (b) and G.S. 150B-19.2, agencies must annually review existing rules to identify those that are unnecessary, unduly burdensome, or inconsistent with the principles in G.S. 150B-19.1 (a). **A report of this review must be submitted to OSBM by February 15, 2012.** OSBM will provide further guidance on the report format to your rule-making coordinator by December 16<sup>th</sup>.

#### Rules with Economic Impact Report

- OSBM annually compiles information from agencies on 1) the summary of fiscal impact on local government from rules adopted during the previous fiscal year and 2) the schedule of anticipated rule actions in the upcoming fiscal year. OSBM will be providing further guidance on the information needed from agencies to prepare this report by January 20<sup>th</sup> to your rule-making coordinator.

Please note the RMIP Report requirements apply to all agencies subject to Article 2A of G.S. 150B. If you have any questions concerning these directives, please contact Andy Willis at 919-807-4716, Nathan Knuffman at 919-807-4728, or [osbmruleanalysis@osbm.nc.gov](mailto:osbmruleanalysis@osbm.nc.gov).

Thank you.