

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE DRS75049-RO-1A* (01/06)

Short Title: Oversight of Licensing Boards.

(Public)

Sponsors: Senators Nesbitt, Dorsett and Purcell.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE
OVERSIGHT COMMITTEE TO REVIEW THE ACTIVITIES OF OCCUPATIONAL
LICENSING BOARDS, TO REQUIRE THAT CERTAIN LICENSING BOARDS BE
AUDITED ANNUALLY, TO SPECIFY A DATE FOR FILING OF REPORTS, TO
ESTABLISH SANCTIONS FOR FAILURE TO FILE REPORTS, AND TO REQUIRE
THAT BOARD MEMBERS RECEIVE TRAINING, AS RECOMMENDED BY THE
JOINT LEGISLATIVE ADMINISTRATIVE PROCEDURE OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 120-70.101 reads as rewritten:

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

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

- (1) To review rules to which the Rules Review Commission has objected to determine if statutory changes are needed to enable the agency to fulfill the intent of the General Assembly.
- (2) To receive reports prepared by the Rules Review Commission containing the text and a summary of each rule approved by the Commission.
- ~~(3) To prepare a notebook that contains the administrative rules that have been approved by the Rules Review Commission and reported to the Committee and to notify each member of the General Assembly of the availability of the notebook.~~
- (3a) To review the activities of State occupational licensing boards to determine if the boards are operating in accordance with statutory requirements and if the boards are still necessary to achieve the purposes for which they were created.
- (4) To review State regulatory programs to determine if the programs overlap, have conflicting goals, or could be simplified and still achieve the purpose of the regulation.
- (5) To review existing rules to determine if the rules are necessary or if the rules can be streamlined.
- (6) To review the rule-making process to determine if the procedures for adopting rules give the public adequate notice of and information about proposed rules.



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1 (7) To review any other concerns about administrative law to determine if
2 statutory changes are needed.

3 (8) To report to the General Assembly from time to time concerning the
4 Committee's activities and any recommendations for statutory changes."

5 **SECTION 2.** G.S. 93B-2 reads as rewritten:

6 "**§ 93B-2. Annual reports required; contents; open to ~~inspection.~~ inspection, sanction for**
7 **failure to report.**

8 (a) ~~Each~~ No later than October 31 of each year, each occupational licensing board shall
9 file with the Secretary of State, the Attorney General, and the Joint Legislative Administrative
10 Procedure Oversight Committee an annual report containing all of the following information:

11 (1) The address of the board, and the names of its members and officers.

12 (2) The number of persons who applied to the board for examination.

13 (3) The number who were refused examination.

14 (4) The number who took the examination.

15 (5) The number to whom initial licenses were issued.

16 (6) The number who applied for license by reciprocity or comity.

17 (7) The number who were granted licenses by reciprocity or comity.

18 (8) The number of licenses suspended or revoked.

19 (9) The number of licenses terminated for any reason other than failure to pay
20 the required renewal fee.

21 (10) The substance of any anticipated request by the occupational licensing board
22 to the General Assembly to amend statutes related to the occupational
23 licensing board.

24 (11) The substance of any anticipated change in rules adopted by the
25 occupational licensing board or the substance of any anticipated adoption of
26 new rules by the occupational licensing board.

27 (b) ~~Each~~ No later than October 31 of each year, each occupational licensing board shall
28 file with the Secretary of State, the Attorney General, the Office of State Budget and
29 Management, and the Joint Legislative Administrative Procedure Oversight Committee a
30 financial report that includes the source and amount of all funds credited to the occupational
31 licensing board and the purpose and amount of all funds disbursed by the occupational
32 licensing board during the previous ~~12-month period.~~ fiscal year.

33 (c) The reports required by this section shall be open to public inspection.

34 (d) Failure of a board to comply with the reporting requirements of this section shall
35 result in a suspension of the board's authority to collect fees until such time as the board files
36 the required reports."

37 **SECTION 3.** G.S. 93B-4 reads as rewritten:

38 "**§ 93B-4. Audit of Occupational Licensing Boards; payment of costs.**

39 (a) The State Auditor shall audit occupational licensing boards from time to time to
40 ensure their proper operation. The books, records, and operations of each occupational
41 licensing board shall be subject to the oversight of the State Auditor pursuant to Article 5A of
42 Chapter 147 of the General Statutes. In accordance with G.S. 147-64.7(b), the State Auditor
43 may contract with independent professionals to meet the requirements of this section.

44 The cost of all audits shall be paid from funds of the occupational licensing board audited.

45 (b) Each occupational licensing board with a budget of at least fifty thousand dollars
46 (\$50,000) shall conduct an annual financial audit of its operations. "

47 **SECTION 4.** G.S. 93B-5 reads as rewritten:

48 "**§ 93B-5. ~~Compensation and employment~~ Compensation, employment, and training of**
49 **board members.**

1 (a) Board members shall receive as compensation for their services per diem not to
2 exceed one hundred dollars (\$100.00) for each day during which they are engaged in the
3 official business of the board.

4 (b) Board members shall be reimbursed for all necessary travel expenses in an amount
5 not to exceed that authorized under G.S. 138-6(a) for officers and employees of State
6 departments. Actual expenditures of board members in excess of the maximum amounts set
7 forth in G.S. 138-6(a) for travel and subsistence may be reimbursed if the prior approval of the
8 State Director of Budget is obtained and such approved expenditures are within the established
9 and published uniform standards and criteria of the State Director of Budget authorized under
10 G.S. 138-7 for extraordinary charges for hotels, meals, and convention registration for State
11 officers and employees, whenever such charges are the result of required official business of
12 the Board.

13 (c) Repealed by Session Laws 1981, c. 757, s. 2.

14 (d) Except as provided herein board members shall not be paid a salary or receive any
15 additional compensation for services rendered as members of the board.

16 (e) Board members shall not be permanent, salaried employees of said board.

17 (f) Repealed by Session Laws 1975, c. 765, s. 1.

18 (g) Within six months of a board member's initial appointment to the board, and at least
19 once every two years thereafter, a board member shall receive training on the statutes
20 governing the board and rules adopted by the board, as well as the following State laws in order
21 to better understand the obligations and limitations of a State agency:

22 (1) Chapter 150B, The Administrative Procedure Act.

23 (2) Chapter 132, The Public Records Law.

24 (3) Article 33C of Chapter 143, The Open Meetings Act.

25 (4) Articles 31 and 31A of Chapter 143, The State Tort Claims Act and the
26 Defense of State Employees Law.

27 (5) Chapter 138A, The State Government Ethics Act.

28 (6) Chapter 120C, Lobbying."

29 **SECTION 5.** This act becomes effective October 1, 2009.