

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** S.B. 840 (First Edition)

**SHORT TITLE:** ESC Attorneys Fees

**SPONSOR(S):** Senator Rucho

<b>FISCAL IMPACT</b>					
	<b>Yes ()</b>	<b>No ()</b>	<b>No Estimate Available (X)</b>		
	<b><u>FY 2001-02</u></b>	<b><u>FY 2002-03</u></b>	<b><u>FY 2003-04</u></b>	<b><u>FY 2004-05</u></b>	<b><u>FY 2005-06</u></b>
<b>REVENUES</b>	N/A				
<b>EXPENDITURES</b>	N/A, See Assumptions and Methodology Section				
<b>POSITIONS:</b>	N/A				
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Department of Commerce, Employment Security Commission					
<b>EFFECTIVE DATE:</b> Date of passage into law.					

**BILL SUMMARY:** The bill amends the “Claims for Benefits” section of the Employment Security Act (G.S. 96-15) by adding a new section that allows the Employment Security Commission (the Commission) to award up to \$500 per case in attorney’s fees when a party’s claim for unemployment insurance or tax rate adjustment pending before an appeals referee or the Commission is delayed and required to be reconvened due to records or transcripts being lost or unavailable for timely review due to the fault of the Commission.

**ASSUMPTIONS AND METHODOLOGY:** The language of the bill is thrice permissive in that it allows that the Commission: (1) “may”, (2) “in its discretion” award attorney’s fees, (3) “to the extent the General Assembly appropriates funds for that purpose.” **Since the bill does not require any action by the Commission or the General Assembly, one cannot determine with any reliability or accuracy what the fiscal impact of this bill might be.** Even if enacted as written, the bill could have no impact whatsoever.

According to the Commission, were the General Assembly to appropriate funds for the purpose of awarding attorney's fees, and were the Commission to award attorney's fees in all cases that fit the specified criteria, the likely cost of such action would be approximately \$5,000 per fiscal year. This figure is computed as follows:

Approximately 10 cases per year x \$500 maximum per case = \$5,000 per year

This estimate should be regarded simply as a possibility whose likelihood of occurrence cannot practically be assessed. As stated in the summary box above, the official opinion of the Fiscal Research Division is that the fiscal impact of SB 840 cannot reasonably be estimated at this time.

**FISCAL RESEARCH DIVISION 733-4910**  
**PREPARED BY:** Adam Levinson, Fiscal Analyst

**APPROVED BY:** James D. Johnson

**DATE:** April 16, 2001



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