

Article 7A.

Fiscal Research Division.

**§ 120-36.1. Fiscal Research Division of Legislative Services Commission established.**

There is hereby established the Fiscal Research Division of the Legislative Services Commission, which shall be solely a staff agency of the General Assembly, shall be responsible to the General Assembly through the Commission, and shall be independent of all other officers, agencies, boards, commissions, divisions, and other instrumentalities of State government. The Division shall not be subject to the Executive Budget Act or the North Carolina Human Resources Act. (1971, c. 659, s. 1; 2013-382, s. 9.1(c).)

**§ 120-36.2. Organization.**

(a) The Legislative Services Commission shall appoint a Director of Fiscal Research, who shall serve at the pleasure of the Commission. The Director of Fiscal Research shall be responsible to the Legislative Services Officer in the performance of his duties.

(b) The Director of Fiscal Research shall assign the duties and supervise and direct the activities of the employees of the Division.

(c) The Director and employees of the Division shall receive salaries that shall be fixed by the Commission, shall receive the travel and subsistence allowances fixed by G.S. 138-6 and 138-7, and shall be entitled to the other benefits available to State employees. (1971, c. 659, s. 1; 2006-259, s. 22.)

**§ 120-36.3. Functions.**

In addition to the functions prescribed in Article 7 of Chapter 120, the Legislative Services Commission, acting through the Fiscal Research Division, shall have the following powers and duties:

- (1) To make periodic and special analyses of past receipts and expenditures and of current requests and recommendations for appropriations of State departments, agencies, and institutions, giving special consideration to the requests and recommendations for appropriations to continue current programs and services;
- (2) To review and evaluate compliance by State departments, agencies, and institutions with such legislative directions as may be contained in the State budget;
- (3) To examine the structure and organization of State departments, agencies, and institutions and recommend such changes as considerations of increased efficiency might indicate;
- (4) To make such other studies, analyses, and inquiries into the affairs of State government as may be directed by the Legislative Services Commission, by the Committee on Appropriations of either house, or by either house of the General Assembly.
- (5) To make periodic reports on the activities of the Division and special reports on the above-mentioned studies, reviews, analyses, evaluations, examinations, and inquiries to the Committee on Appropriations of either house of the General Assembly, or to either house of the General Assembly, as may be appropriate. The reports of the Division shall, where feasible, include estimates of the financial savings achieved by or anticipated to result from its recommendations. (1971, c. 659, s. 1.)

**§ 120-36.4: Repealed by Session Laws 1983 (Regular Session 1984), c. 1034, s. 176.**

**§ 120-36.5. Office space and equipment.**

The Fiscal Research Division shall be provided with suitable office space and equipment. (1971, c. 659, s. 1; 1981; c. 772, s. 7; c. 859, s. 13.3.)

**§ 120-36.6. Legislative Fiscal Research staff participation.**

The Legislative Services Officer shall designate a member of the Fiscal Research staff and a member of the Legislative Analysis or Legislative Drafting staff who may attend all meetings of the Council of State, unless the Council has voted to exclude them from the specific meeting, provided that no final action may be taken while they are so excluded. The Legislative Services Officer and the Director of Fiscal Research shall be notified of all meetings, hearings, and trips in the same manner and at the same time as notice is given to members of the Council. The Legislative Services Officer and the Director of Fiscal Research shall be provided with a copy of all reports, memoranda, and other informational material which are distributed to the members of the Council; these reports, memoranda, and materials shall be delivered to the Legislative Services Officer and the Director of Fiscal Research at the same time that they are distributed to the members of the Council. (1971, c. 659, s. 2; 1983 (Reg. Sess., 1984), c. 1034, s. 177.1; 1996, 2nd Ex. Sess., c. 18, s. 8(d); 2006-203, s. 60; 2013-234, s. 7; 2018-142, s. 4(e).)

**§ 120-36.7. Long-term fiscal notes.**

(a) Budget Outlook; Proposed Legislation. – Every fiscal analysis of the State budget outlook shall encompass the upcoming five-year period. Every fiscal analysis of the impact of proposed legislation on the State budget shall estimate the impact for the first five fiscal years the legislation would be in effect.

(b) Proposed State Buildings. – Upon the request of a member of the General Assembly, the Fiscal Research Division shall prepare a fiscal analysis of proposed legislation to appropriate funds for a State building. The analysis shall estimate the projected maintenance and operating costs of the building for the first 20 fiscal years after it is completed.

(c) Proposed New Programs. – Upon the request of a member of the General Assembly, the Fiscal Research Division shall prepare a fiscal analysis of proposed legislation to create a new State program. The analysis shall identify and estimate all personnel costs of the proposed new program for the first five fiscal years it will operate. The analysis shall also include a five-year estimate of space requirements, an indication of whether those requirements can be satisfied using existing State-owned facilities, and estimated costs of occupying leased space where State-owned space is not available.

(d) Proposed Increases in Incarceration. – Every bill and resolution introduced in the General Assembly proposing any change in the law that could cause a net increase in the length of time for which persons are incarcerated or the number of persons incarcerated, whether by increasing penalties for violating existing laws, by criminalizing behavior, or by any other means, shall have attached to it at the time of its consideration by the General Assembly a fiscal note prepared by the Fiscal Research Division. The fiscal note shall be prepared in consultation with the Sentencing Policy and Advisory Commission and shall identify and estimate, for the first five fiscal years the proposed change would be in effect, all costs of the proposed net increase in incarceration, including capital outlay costs if the legislation would require increased cell space.

If, after careful investigation, the Fiscal Research Division determines 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 fiscal note with regard to the merits of the measure for which the note is prepared. However, technical and mechanical defects may be noted.

The sponsor of each bill or resolution to which this subsection applies shall present a copy of the bill or resolution with the request for a fiscal note to the Fiscal Research Division. Upon receipt of the request and the copy of the bill or resolution, the Fiscal Research Division shall prepare the fiscal note as promptly as possible. The Fiscal Research Division shall prepare the fiscal note and transmit it to the sponsor within two weeks after the request is made, unless the sponsor agrees to an extension of time.

This fiscal note shall be attached to the original of each proposed bill or resolution that is reported favorably by any committee of the General Assembly, but shall be separate from the bill or resolution and shall be clearly designated as a fiscal note. A fiscal note attached to a bill or resolution pursuant to this subsection is not a part of the bill or resolution and is not an expression of legislative intent proposed by the bill or resolution.

If a committee of the General Assembly reports favorably a proposed bill or resolution with an amendment that proposes a change in the law that could cause a net increase in the length of time for which persons are incarcerated or the number of persons incarcerated, whether by increasing penalties for violating existing laws, by criminalizing behavior, or by any other means, the chair of the committee shall obtain from the Fiscal Research Division and attach to the amended bill or resolution a fiscal note as provided in this section. (1991, c. 689, s. 340; 1993, c. 561, s. 21.)