

STATE OF NORTH CAROLINA OFFICE OF ADMINISTRATIVE HEARINGS

Mailing address: 6714 Mail Service Center Raleigh, NC 27699-6700

Street address: 1711 New Hope Church Rd Raleigh, NC 27609-6285

December 15, 2016

Sent via electronic mail

Patrice Alexander, Rulemaking Coordinator Local Government Commission 3200 Atlantic Avenue Raleigh, North Carolina 27604

Re: Existing Rules Review Report for 20 NCAC 03

Dear Ms. Alexander:

At its meeting on November 17, 2016, the Rules Review Commission (RRC) reviewed the above-referenced Periodic Review and Expiration of Existing Rules Report pursuant Based upon an inquiry at that meeting, the RRC requested to G.S. 150B-21.3A. clarification as to the identity of the agency that actually conducted the analysis, made the initial determinations, posted the report for the 60-day comment period, and made the final determinations. A response has been provided that the actions were not taken by the Local Government Commission.

The periodic review of the rules set forth in the report for 20 NCAC 03 needs to be rescheduled to ensure proper compliance with G.S. 150B-21.3A(c)(1). This report shall be rescheduled in Rule 26 NCAC 05 .0211 as follows: the report for 20 NCAC 03 must be completed and filed with the Office of Administrative Hearings by the rulemaking agency by November 15, 2017. The report will be reviewed by the RRC at the **December 2017** meeting.

If you have any questions regarding the RRC's actions, please let me know.

Sincerely,

Abigail M. Hammond Commission Counsel

Administration 919/431-3000

Rules Division 919/431-3000 fax:919/431-3100 fax: 919/431-3104

Judges and Assistants 919/431-3000 fax: 919/431-3100

Clerk's Office 919/431-3000 fax: 919/431-3100

Rules Review Commission 919/431-3000 fax: 919/431-3104

Civil Rights Division 919/431-3036 fax: 919/431-3103

Hammond, Abigail M

From: Patrice Alexander <Patrice.Alexander@nctreasurer.com>

Sent: Monday, November 21, 2016 4:05 PM

To: Hammond, Abigail M

Cc: Janet Cowell; Robin Hammond; Blake Thomas

Subject: RE: Emailing: 2016.11 - Local Government report

Follow Up Flag: Follow up Flag Status: Completed

Ms. Hammond—

This email confirms receipt of the email below and its attached correspondence. The Department of State Treasurer does not have the requested documentation. As such, the Local Government Commission will follow the rules review procedure as outlined in G.S. 150B-21.3A. The Department looks forward to working with you on rescheduling the Rules Review Commission's review of this report upon its completion of the rules review procedure.

If you have any questions, please feel free to contact me.

Patrice Alexander

Business Operations & Policy Counsel (919) 814-3853



Janet Cossell, State Tressurer

From: Hammond, Abigail M [mailto:abigail.hammond@oah.nc.gov]

Sent: Friday, November 18, 2016 12:10 PM

To: Janet Cowell **Cc:** Patrice Alexander

Subject: Emailing: 2016.11 - Local Government report

PLEASE CONFIRM RECEIPT

Good afternoon Chairperson Cowell,

Please see the attached letter for the Periodic Review and Expiration of Rules report for 20 NCAC 03 pursuant to G.S. 150B-31.3A(c)(2). If you have any questions or concerns about this letter, please do not hesitate to contact me.

Sincerely, Abby Hammond

Abigail M. Hammond Counsel to the Rules Review Commission Office of Administrative Hearings Direct Dial: (919) 431-3076

Notice: E-mail correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties by authorized State officials.

Your message is ready to be sent with the following file or link attachments:

2016.11 - Local Government report

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Email correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized state official.



STATE OF NORTH CAROLINA OFFICE OF ADMINISTRATIVE HEARINGS

Mailing address: 6714 Mail Service Center Raleigh, NC 27699-6700 Street address: 1711 New Hope Church Rd Raleigh, NC 27609-6285

November 18, 2016

Sent via electronic mail to janet.cowell@nctreasurer.gov

Janet Cowell, Chairperson Local Government Commission 3200 Atlantic Avenue Raleigh, North Carolina 27604

Re: Existing Rules Review Report for 20 NCAC 03

Dear Chairperson Cowell:

At its meeting on November 17, 2016, the Rules Review Commission (RRC) reviewed the above-referenced Periodic Review and Expiration of Existing Rules Report pursuant to G.S. 150B-21.3A.

In its review, the RRC determined that the proper rulemaking body or agency for this report is the North Carolina Local Government Commission. Pursuant to the North Carolina Administrative Procedure Act set forth in Chapter 150B of the General Statutes, the rulemaking body for the rules set forth in 20 NCAC 03 is the Local Government Commission.

G.S. 150B-21.3A(c)(1) requires an agency to "conduct an analysis of each existing rule" and to make an initial determination; to post the initial determinations for at least a 60-day comment period; to review the comments received; and to make a final determination on the rule. That final determination by the agency, along with any comments received and the agency's response to the comments, is provided to the Rules Review Commission for their review as set forth in G.S. 150B-21.3A(c)(2).

The documents filed with the Office of Administrative Hearings for Rules Review Commission review of 20 NCAC 03 indicates that the "agency" was the "Department of State Treasurer." This letter requests clarification from you, as the Chairperson for the

Administration 919/431-3000 fax:919/431-3100 Rules Division 919/431-3000 fax: 919/431-3104 Judges and Assistants 919/431-3000 fax: 919/431-3100

Clerk's Office 919/431-3000 fax: 919/431-3100 Rules Review Commission 919/431-3000 fax: 919/431-3104 Civil Rights
Division
919/431-3036
fax: 919/431-3103

Local Government Commission, as to the identity of the agency that actually conducted the analysis, made the initial determinations, posted the report for the 60-day comment period, and made the final determinations. If these actions were taken by the proper rulemaking body, the Local Government Commission, please provide a copy of the minutes from the meetings in which the initial and final determinations were made by the agency.

The requested documents will be reviewed by the Rules Review Commission prior to further review of the Periodic Review and Expiration of Existing Rules Report for 20 NCAC 03 filed with the Office of Administrative Hearings on September 20, 2016. If it is determined by the Rules Review Commission that the rulemaking body did not take the actions described above, or if the agency is unable to produce documentation of taking these actions, the review of this report will be rescheduled to ensure proper compliance with G.S. 150B-21.3A.

Please submit the requested documentation to my attention no later than Friday, **December 2, 2016**. If you have any questions regarding the RRC's actions or this request, please let me know.

Sincerely,

Abigail M. Hammond Commission Counsel

aleusal M. Hammond

cc: Patrice Alexander, Rulemaking Coordinator

PERIODIC REVIEW AND EXPIRATION OF EXISTING RULES REPORT FOR SUBMISSION TO THE RULES REVIEW COMMISSION

1. Rule-Making Agency: Department of State Treasurer	
2. Administrative Code Chapter/Subchapter(s):	
20 NCAC 03, Local Government Commission	
3. Agency Steps:	
The agency made the initial classification on: July 8, 2	
Report published on agency website: July 15, 2015- Se	eptember 15, 2016 FC 28
Report published on OAH website: July 15, 2016- Se	eptember 15, 2016
Comment Period: July 15, 2016- September 15, 2016	eptember 15, 2016 OF ADMIN HEARING 29
The sentember of the Court of the Sentember of the Court	er 19, 2016
The agency made the final classification on: September The agency changed determination of rules in the rep	ort:
Yes. List rule citations:	ort:
See Control See all Gentle (1.0 College Colleg	<u>⇒</u> ∞
⊠ No.	Z 2
D. CDDC	
Date of RRC review scheduled per Rule 26 NCAC 05	.0211: November 2016
RRC granted agency request to extend time for re New date for review:	eview per 26 NCAC 05 .0204.
4. Comments:	
Public comments and agency response are contained. □ Public comments and agency response are attacked. □ The agency received no public comments.	ained in the report. Thed to the report as separate documents.
5. Rule-making Coordinator:	6. Signature of Agency Head* or Rule-making Coordinator:
Patrice Alexander Address:	o. Signature of Agency Head." of Rule-marking Coordinator:
50-6-30 (2017 C 2016 Mag 2)	
3200 Atlantic Avenue Raleigh, NC 27604	77000
Phone: 919-814-3853	*If this function has been delegated (reassigned) pursuant to
E-Mail:	G.S. 143B-10(a), submit a copy of the delegation with this form.
patrice.alexander@nctreasurer.com	Typed Name:
parties aloxarias (@) for casarssom	
Agency Contact, if any:	Title:
Phone:	Email of Agency Head:
E-Mail:	
RRCAN	D OAH USE ONLY
Action taken:	JOHN COD CIVET
RRC reviewed; sent to APO on:	
RRC extended period of review.	
New review date:	
RRC returned incomplete report to agency.	
Other:	

Agency - State Treasurer, Department of

Comment Period - July 15, 2016 through September 15, 2016

Date Submitted to	Date Submitted to APO - Filled in by RRC staff								
Rule Section	Rule Citation	Rule Name	Date and Last Agency Action on the Rule	Agency Determination [150B- 21.3A(c)(1)a]	Implements or Conforms to Federal Regulation [150B-21.3A(e)]	Federal Regulation Citation	Public Comment Received [150B- 21.3A(c)(1)]	Agency Determination Following Public Comment [150B-21.3A(c)(1)]	
SECTION .0100 - GENERAL PROVISIONS	20 NCAC 03 .0101	ORGANIZATION AND FUNCTIONS	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0102	DEFINITIONS	Amended Eff. August 1, 1987	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0103	RULE-MAKING PROCEDURES	Amended Eff. August 1, 1987	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0104	DECLARATORY RULES	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0105	CONTESTED CASE PROCEDURES	Amended Eff. August 1, 1987	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0106	ADDITIONAL REQUIREMENTS	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0107	OTHER REQUESTS FOR ACTION	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0108	STATUS OF MEMORANDA: STATEMENTS AND PUBLICATIONS	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0109	ENFORCEMENT PROCEDURES	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0110	MAILING LISTS	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0111	SETTING FEES ON REVENUE BOND APPROVALS	Eff. August 1, 1983	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0112	FEES	Amended Eff. January 1, 2011	Necessary without substantive public interest	No		No	Necessary without substantive public interest	

Agency - State Treasurer, Department of

Comment Period - July 15, 2016 through September 15, 2016

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SECTION .0200 - APPROVAL OF DEBT OBLIGATIONS	20 NCAC 03 .0202	APPROVAL OF GENERAL OBLIGATION BONDS	Amended Eff. April 1, 1985	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0203	ADDITIONAL DOCUMENTS TO BE FILED	Amended Eff. April 1, 1985	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0204	APPROVAL OF REVENUE BONDS	Amended Eff. April 1, 1985	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0205	APPROVAL OF TAX ANTICIPATION NOTES	Amended Eff. April 1, 1985	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0206	APPROVAL OF REVENUE ANTICIPATION NOTES	Amended Eff. April 1, 1985	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0207	APPROVAL OF GRANT ANTICIPATION NOTES	Amended Eff. April 1, 1985	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0208	SPECIAL PURPOSE BONDS	Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
SECTION .0300 - SALE AND DELIVERY OF BONDS AND NOTES	20 NCAC 03 .0301	PRESALE REQUIREMENTS	Amended Eff. April 1, 1985	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0302	SALE OF BONDS OR NOTES	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0303	DELIVERY OF BONDS OR NOTES	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0304	FEES FOR SALE AND DELIVERY OF BONDS	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest	
	20 NCAC 03 .0305	MATURITIES OF BONDS	Amended Eff. June 1, 1991	Necessary without substantive public interest	No		No	Necessary without substantive public interest	

Agency - State Treasurer, Department of
Comment Period - July 15, 2016 through September 15, 2016

	APO - Filled in by RRC s							
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SECTION .0400 - ACCOUNTING AND INTERNAL CONTROLS	20 NCAC 03 .0401	ACCOUNTING AND INTERNAL CONTROL SYSTEMS	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest
CONTROLS	20 NCAC 03 .0402	REVENUES SUSCEPTIBLE TO ACCRUAL	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0403	APPROVAL TO USE ACCRUAL BASIS ACCOUNTING	L Readopted Eff. September 23, 1977	Unnecessary	No		No	Unnecessary
	20 NCAC 03 .0405	COMMENTS TO FEDERAL AND STATE GRANTOR AGENCIES	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0406	APPROVAL OF FINANCE OFFICER ACTING AS TAX COLLECTOR	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0407	REPORT OF CASH BALANCE	Amended Eff. April 1, 1985	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0408	REPORT OF FINANCIAL INFORMATION	Amended Eff. April 1, 1985	Necessary without substantive public interest	No		No	Necessary without substantive public interest
SECTION .0500 - AUDIT CONTRACTS	20 NCAC 03 .0501	APPLICATION FOR APPROVAL OF AUDIT CONTRACT	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0502	AUDIT CONTRACT	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0503	AUDIT ENGAGEMENTS DEFINED	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0504	WHO MAY PERFORM AUDITS	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0505	AUDIT BILLINGS	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0506	WITHHOLDING OF APPROVAL	Readopted Eff. September 23, 1977	Necessary without substantive public interest	No		No	Necessary without substantive public interest
SECTION .0600 - SCHOOL BUDGETING AND ACCOUNTING	20 NCAC 03 .0601	ENCUMBRANCE ACCOUNTING	Amended Eff. April 1, 1985	Necessary without substantive public interest	No		No	Necessary without substantive public interest
SECTION .0700 - MUTUAL FUND FOR LOCAL GOVERNMENT INVESTMENT	20 NCAC 03 .0701	GENERAL INFORMATION	Eff. February 1, 1982	Necessary without substantive public interest	No		No	Necessary without substantive public interest
INVESTIVIENT	20 NCAC 03 .0702	DEFINITION OF TERMS	Amended Eff. April 1, 1985	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0703	MINIMUM FUND STANDARDS	Amended Eff. April 1, 1987	Necessary without substantive public interest	No		No	Necessary without substantive public interest

Agency - State Treasurer, Department of

Comment Period - July 15, 2016 through September 15, 2016

Date Submitted to	APO - Filled in by RRC s	taff					_	
Rule Section	Rule Citation	Rule Name	Date and Last Agency Action on the Rule	Agency Determination [150B- 21.3A(c)(1)a]	Implements or Conforms to Federal Regulation [150B-21.3A(e)]	Federal Regulation Citation	Public Comment Received [150B- 21.3A(c)(1)]	Agency Determination Following Public Comment [150B-21.3A(c)(1)]
	20 NCAC 03 .0704	REQUIREMENTS FOR THE RFP	Eff. February 1, 1982	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0705	ISSUANCE OF THE RFP	Eff. February 1, 1982	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0706	CERTIFICATION AND TERMINATION OF MANAGER	Amended Eff. April 1, 1985	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0707	TERMINATION FOR CAUSE	Eff. February 1, 1982	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0708	REVIEW OF MANAGER	Eff. February 1, 1982	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0709	DELEGATION OF AUTHORIT	Y Eff. February 1, 1982	Necessary without substantive public interest	No		No	Necessary without substantive public interest
SECTION .0800 - SYSTEM OF REGISTRATION	20 NCAC 03 .0801	APPROVAL OF A SYSTEM OF REGISTRATION	Eff. August 1, 1983	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0802	APPROVAL OF APPOINTMENT OF AGENTS	Eff. August 1, 1983	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0803	MAXIMUM RATES FOR AGENCY SERVICES	Eff. August 1, 1983	Necessary without substantive public interest	No		No	Necessary without substantive public interest
SECTION .0900 - OTHER REQUESTS FOR APPROVAL	20 NCAC 03 .0901	PROCESSING APPLICATIONS	Eff. November 1, 1983	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0902	HEARING ON CONFORMANCE TO PRIOR APPROVALS	Eff. November 1, 1983	Unnecessary	No		No	Unnecessary
	20 NCAC 03 .0903	APPLICATION TO AMEND: PRIOR APPROVALS	Eff. November 1, 1983	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0904	COUNTY USE OF SALES TAXES PURSUANT TO G.S. 105-487(C)	Eff. November 1, 1983	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0905	MUNICIPALITY USE OF SALE TAXES PURSUANT TO G.S.105-487(C)	S Eff. November 1, 1983	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0906	ANNEXATION: REQUESTS B' RURAL FIRE DEPARTMENT	Y Eff. April 1, 1984	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .0907	ANNEXATION: ASSUMPTION OF DEBT	N Eff. April 1, 1984	Necessary without substantive public interest	No		No	Necessary without substantive public interest
SECTION .1000 - EVIDENTIARY HEARING ON REFUNDING BONDS	20 NCAC 03 .1001	DEFINITIONS	Eff. November 1, 1990	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .1002	WHO MAY REQUEST A HEARING	Eff. November 1, 1990	Necessary without substantive public interest	No		No	Necessary without substantive public interest

Agency - State Treasurer, Department of

Comment Period - July 15, 2016 through September 15, 2016

Date Submitted to APO - Filled in by RRC staff

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Rule Section	Rule Citation	Rule Name	Date and Last Agency Action on the Rule	Agency Determination [150B- 21.3A(c)(1)a]	Implements or Conforms to Federal Regulation [150B-21.3A(e)]	Federal Regulation Citation	Public Comment Received [150B- 21.3A(c)(1)]	Agency Determination Following Public Comment [150B-21.3A(c)(1)
	20 NCAC 03 .1003	PETITION FOR HEARING	Eff. November 1, 1990	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .1004	HEARING OFFICER	Eff. November 1, 1990	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .1005	TIME FOR THE HEARING	Eff. November 1, 1990	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .1006	NOTICE OF HEARING	Eff. November 1, 1990	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .1007	CONDUCT OF THE HEARING	Eff. November 1, 1990	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .1008	RECOMMENDED DECISION	Eff. November 1, 1990	Necessary without substantive public interest	No		No	Necessary without substantive public interest
	20 NCAC 03 .1009	FINAL DECISION	Eff. November 1, 1990	Necessary without substantive public interest	No		no	Necessary without substantive public interest