

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: House Bill 356 (Second Edition)

SHORT TITLE: Remove Sunset/Municipal Electric Service.

SPONSOR(S): Representatives Tolson and LaRoque

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>
REVENUES					
Council of the NC State Bar			No General Fund Impact		
Industrial Commission			No General Fund Impact		
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina State Bar; North Carolina Industrial Commission					
EFFECTIVE DATE: October 1, 2004					

BILL SUMMARY:

Section 1 of the bill authorizes the Council of the North Carolina State Bar to regulate the professional conduct of State Bar certified paralegals, take actions to ensure the competence of such paralegals, and to charge fees for certification. It also updates and clarifies the existing language. Section 2 expands the Bar's investigative authority to include inappropriate representation as a Bar certified paralegal and makes other conforming changes. Section 3 of the proposed bill amends subsection (e) of SL 2003-284 sec. 12.6C (Industrial Commission Fees/Computer System Replacement) to provide that the Commission may retain authorized fees until the 2009-2011 fiscal biennium.

ASSUMPTIONS AND METHODOLOGY:

Paralegal Fees

The bill does not specify or cap the fees that can be charged for paralegal certification. State Bar officials indicate that they have yet to set a proposed fee, but hope the fee will cover the cost of the program. They indicate that they plan to use existing staff, so the primary cost will be related to computer programming.

Because certification is currently voluntary, no information is available concerning the number of paralegals and legal assistants that may be impacted by this legislation. However, the National Association of Legal Assistants, which certifies paralegals nationally, indicate that 326 North Carolinians have passed their certification program. The State Bar Association indicates that 628 paralegals have registered as members of this Legal Assistants Division.

Industrial Commission Fees

The 2003-04 budget bill allowed the Industrial Commission to retain additional revenue generated by raising the fee charged to parties for the filing of compromise settlements from \$200 to \$250 for computer systems replacement. The fees collected up to \$200 for each compromise settlement continue to be directed to the state's General Fund. The budget provision allowed the Industrial Commission to retain the additional fees only in the 2003-2005 fiscal biennium. The proposed legislation would allow the Industrial Commission to keep their additional receipts for IT purposes for four more years until the 2009-2011 fiscal biennium.

The additional revenue generated by the Industrial Commission this past year to be used for their IT needs was \$483,571. This amount is approximately \$100,000 higher than expected for an average year, because a number of asbestos cases were settled via compromise settlements with large companies all at once this year. The Industrial Commission has set aside all the money generated thus far this year and has begun to lay out their technical requirements internally. They were required to have a demonstrated revenue stream before putting out bids for the necessary work in stages, hence the desire to extend the sunset until the 2009-2011 fiscal biennium.

SOURCES OF DATA: North Carolina State Bar; North Carolina Industrial Commission

TECHNICAL CONSIDERATIONS: N/A

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