



NORTH CAROLINA GENERAL ASSEMBLY

Session 2019

Legislative Fiscal Note

Short Title: Aerial Adventure Courses/Sanders' Law.
Bill Number: House Bill 380 (First Edition)
Sponsor(s):

SUMMARY TABLE

FISCAL IMPACT OF H.B. 380, V.1 (\$ in thousands)

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
State Impact					
General Fund Revenue	10.0 to 12.5	10.0 to 12.5	10.0 to 12.5	10.0 to 12.5	10.0 to 12.5
Less Expenditures	<u>10.0</u> to <u>12.5</u>	<u>10.0</u> to <u>12.5</u>	<u>10.0</u> to <u>12.5</u>	<u>10.0</u> to <u>12.5</u>	<u>10.0</u> to <u>12.5</u>
General Fund Impact	0.0 to 0.0	0.0 to 0.0	0.0 to 0.0	0.0 to 0.0	0.0 to 0.0
NET STATE IMPACT	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0

FISCAL IMPACT SUMMARY

Under H.B. 380, the Department of Labor (DOL) will collect between \$10,000 and \$12,500 each year in application fees. These fees will cover the costs associated with issuing aerial adventure course permits, and will therefore have no net impact on the General Fund.

There are no estimated expenditures for the Department of Insurance. Revenues for the Insurance Regulatory Charge will increase by an unknown amount.

FISCAL ANALYSIS

Department of Labor

H.B. 380 enacts new regulations on the aerial adventure course industry by requiring owners to apply for an annual operation permit. The permit application requires owners to report to DOL on their annual inspections, liability insurance, staff training, recordkeeping, and accidents. The Standards and Inspections Division of DOL will receive applications, review whether or not they comply with the proposed requirements, and issue operation permits.

H.B. 380 allows DOL to charge reasonable fees to cover the cost of issuing aerial adventure course permits. DOL anticipates charging up to \$100 for each annual application to cover equipment, travel, and other operating costs. A 2016 legislatively-mandated study of zip line operations found approximately 100 facilities that would be regulated under H.B. 380. While DOL has not updated the study since 2016, it is unlikely that the industry has grown significantly. Assuming no more than

125 aerial adventure courses currently exist in North Carolina, DOL will collect and spend between \$10,000 and \$12,000 each year to implement H.B. 380.

Department of Insurance

The Department of Insurance does not estimate any costs associated with the implementation of this bill. Revenues for the Insurance Regulatory Charge will increase as a result of companies being required to purchase liability insurance. The Regulatory Charge is a 6.5% fee based on gross premiums. Due to the uncertainty of how many companies will purchase additional insurance coverage and what the gross premiums will be, the impact to the Regulatory Charge revenue is unknown.

TECHNICAL CONSIDERATIONS

N/A

DATA SOURCES

DEPARTMENT OF LABOR, DEPARTMENT OF INSURANCE

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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