



# NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

## Legislative Fiscal Note

**Short Title:** NC Infrastructure Protection Act.  
**Bill Number:** House Bill 808 (First Edition)  
**Sponsor(s):** Rep. Loftis, Rep. McNeely, and Rep. Johnson

### SUMMARY TABLE

#### FISCAL IMPACT OF H.B.808, V.1

	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>	<u>FY 2028-29</u>	<u>FY 2029-30</u>
<b>State Impact</b>					
General Fund Revenue	-	-	-	-	-
Less Expenditures	-	-	-	-	-
<b>General Fund Impact</b>	<b>No Estimate Available - Refer to Fiscal Analysis section</b>				

### FISCAL IMPACT SUMMARY

Several sections of the bill would institute new background check requirements for individuals who have access to critical infrastructure as defined in the bill. In each instance, the background check would be performed by the State Bureau of Investigation (SBI) for a \$38 fee. The cost of the background check would be paid by the applicant, contractor, or State agency, as applicable, and remitted to SBI to cover the cost of performing the check.

Because these additional receipts directly cover the cost of SBI's expenditures associated with the background check service, there would be no net General Fund revenue as a result of this bill.

There may be additional requirements for the Judicial Department and The University of North Carolina to perform background checks on their employees. However, neither agency was able to provide an estimate of the bill's impact to the Fiscal Research Division (FRD). If all information technology employees at these agencies were required to undergo a background check, the impact to the Administrative Office of the Courts (AOC) would be \$11,628 and the impact to the University of North Carolina would be \$92,074.

### FISCAL ANALYSIS

This bill would institute new background check requirements for individuals, including state employees and contractors, who have access to critical infrastructure as defined in the bill. The specific requirements are detailed below. The fee for a State and federal fingerprint check is currently \$38. In each case, the fee will be paid by the applicant, contractor, or State agency and remitted to SBI to offset the cost of performing the check. Thus, there is no net General Fund revenue generated under this bill.



Section 2 of the bill would mandate that the Judicial Department require a criminal history record check for any individual that has access to a communication infrastructure system or cybersecurity system under the Judicial Department's authority. There are 306 employees by headcount within AOC's Technical Services Division and Business Office. It is not known how many employees would need a background check under this section.

Section 3 would require the Utilities Commission to adopt rules to require a criminal history check for anyone who has access to the electric power grid of a communication infrastructure system under the Commission's authority

Section 4.(a) would require applicants for initial certification as a water treatment facility operator to consent to a criminal history record check. The Board of Certification would be required to provide the SBI with the applicant's fingerprints, a consent form, and any additional information the SBI requires. The applicant would pay the costs of the criminal history check and fingerprinting.

Section 5 would require the Board of Governors of the University of North Carolina to adopt a policy to require a criminal history record check for any individual with access to a communication infrastructure system or cybersecurity system of the University of North Carolina. There are 2,423 total IT employees by headcount across the UNC System in FY 2023-24. It is not known how many employees would need a background check under this section.

Section 6 would provide that an applicant for a hazardous waste facility must require a criminal history record check for any individual with access to hazardous waste systems under its control.

Section 7 would provide that the State CIO must require background investigations, including a criminal history record check, for any contractor granted access to a communication infrastructure system or cybersecurity system under the authority of the State CIO.

## **TECHNICAL CONSIDERATIONS**

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N/A.

## **DATA SOURCES**

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BEACON; UNIVERSITY OF NORTH CAROLINA; ADMINISTRATIVE OFFICE OF THE COURTS

## **LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS**

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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**

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

## **ESTIMATE PREPARED BY**

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## **ESTIMATE APPROVED BY**

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**Signed copy located in the NCGA Principal Clerk's Offices**

