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April 15, 2021

To: Joint Legislative Administrative Procedure Oversight Committee
Joint Legislative Commission on Governmental Operations
Office of State Budget and Management

From: Dale R. Folwell, CPA *DRF* 5/11/21
State Treasurer of North Carolina

Subject: Final Report on Exercise of Regulatory Flexibility (S.L. 2020-97)

On May 4, 2020, *An Act to Provide Aid to North Carolinians in Response to the Coronavirus Disease 2019 (COVID-19) Crisis*, Session Law 2020-3 (Senate Bill 704) was enacted. Section 4.38(a)–(f) granted State agencies the ability to exercise regulatory flexibility, notwithstanding the provisions of Chapter 150 of the North Carolina General Statutes, during the coronavirus emergency in order to protect the economic well-being of the citizens and businesses of the State. Effective August 1, 2020, this regulatory flexibility was re-authorized under Session Law 2020-97 (House Bill 1105).

Section 3.20(c) of S.L. 2020-97 requires State agencies to submit a final report on the State agency's "specific efforts to exercise regulatory flexibility under this section." The final report is due no later than 90 days after section 3.20 expires. Subpart 3.20(f) provides that section 3.20 expires "30 days after Executive Order No. 116 is rescinded or March 31, 2021, whichever is earlier." Executive Order No. 116 is still in effect; therefore, this final report is due no later than June 29, 2021.

Accordingly, the Department of State Treasurer (the "Department") submits this final report to confirm that the Department has not exercised regulatory flexibility as provided by S.L. 2020-3 and S.L. 2020-97. The Department determined that the exercise of such regulatory flexibility was not necessary.