

Presentation to:

House Regulatory Reform Committee

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Who We Are

- Founded in 1902
- 2,500 members representing approximately 25,000 individual store locations across the state
- Represent all facets of retail from grocery, pharmacy, clothing, hardware, bookstores and beyond
- Our members run the spectrum of one-store family businesses to the largest of chain retailers



NCRMA's Lens on Regulatory Reform



- Fortunate to be involved in the various regulatory reform efforts over the last fifteen years
- Unnecessary and burdensome regulations are harmful to the economy
- They increase the time and cost of doing business and therefore increase prices and kill jobs
- Regulatory reform often falls into two buckets –
 1. General Statutes
 2. Administrative rules from administrative agencies and licensing boards.
- These two buckets can also be subdivided into state and local government enforcement
- Certainty and consistency are two of the most important factors as to how rules and regulations are implemented and enforced.

NCRMA's Lens on Regulatory Reform

Here are just a few regulatory reforms that NCRMA has worked on:

- Prohibiting the use of Contingency Auditors
- Repealed pervious pavement requirements
- Egg labeling
- Nursery Stock sales in parking lots
- Putting the Industrial Commission under the Administrative Procedures Act
- Requiring Legislative Confirmation of appointees to the Industrial Commission and Board of Review
- Prohibiting local governments from regulating shopping carts and plastic bags and containers



Rule-Making

One of single most important pieces of North Carolina's regulatory climate is the North Carolina Rules Review Commission.

Important check-and-balance for overzealous administrative agencies and licensing boards

The RRC does not look at the underlying policy of the proposed rules but instead reviews each rule using a four-part test:

1. **Compliance:** Did the administrative agency follow the required process set out in the Administrative Procedures Act? I.e., did they conduct public hearings, did they accept public comments, did they conduct a fiscal analysis.
 2. **Authority:** Does the agency have statutory authority to adopt the rule?
 3. **Clarity:** Is the rule clear and understandable?
 4. **Necessary:** Is the rule necessary?
- There have been constitutional challenges to the Rules Review Commission by Governors of both parties, by administrative agencies and by advocacy groups
 - Important backstop driving dialogue between government and the regulated community
 - It is critical the Rules Review Commission remain intact and robust

Emergency Management

- Primary role in which we serve our members is through our strong partnership with the Division of Emergency Management
- North Carolina's Business Emergency Operations Center is a national model for their partnership with the private sector
- NCRMA maintains a seat in the BEOC and work with all the EOC partners to get power to stores, trucks on the road and communities served
- Spend an inordinate amount of time trying to track local states of emergency that may include curfews or sales restrictions
- Fortunate to have a re-entry system in NC that allows businesses to register with the EOC to be able to transport essential goods from distribution centers to stores
- The efforts by retailers to get their stores back open is a great example of this work
- North Carolina's Price Gouging Law needs to be reexamined due to lengthy states of emergency

Looking Ahead

Here is what we are hearing from our members

- Requiring agencies to go through rule-making rather than issuing “policies”
- The world sped up during COVID and time is even now more of the essence
- Important for administrative agencies to understand the need to timely process permit applications – SNAP, DOT, DEQ and ABC Commission
- More local governments seeking to regulate commerce in a manner that they have never done
- Inconsistency at the local level on health inspections and ALE interpretations
- How is DOT implementing a new Super Street or reconstructing an interchange? Does it impact ingress and egress into an existing business?
- ABC permits are the area where we receive the most calls for assistance from our members
 - These issues concern both a permit for a brand-new business or trying to get a permit for a business where ownership has changed hands
 - Need an online portal for the permitting process



Questions?

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