



# NORTH CAROLINA GENERAL ASSEMBLY

2025 Session

## Legislative Fiscal Note

**Short Title:** Continuing Care Retirement Communities Act.-AB  
**Bill Number:** House Bill 357 (Third Edition)  
**Sponsor(s):** Rep. Humphrey, Rep. Almond, Rep. Arp, and Rep. Setzer

### SUMMARY TABLE

FISCAL IMPACT OF HB 357 (v.3)					
	<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>					
Special Fund Revenues	72,000	72,000	72,000	72,000	72,000
Less Expenditures	-	-	-	-	-
<b>Special Fund Impact</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>
<b>NET STATE IMPACT</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>	<b>72,000</b>

### FISCAL IMPACT SUMMARY

The bill has a fiscal impact because it raises two existing fees and creates new fees that the Department of Insurance (the Department) charges Continuing Care Retirement Communities (CCRCs).

### FISCAL ANALYSIS

The bill repeals the current laws regulating CCRCs and replaces them with several provisions in the new Article 64A of Chapter 58 of the General Statutes. Part II of the Article would require a person to obtain different types of approvals from the Department of Insurance (the Department) during the process of establishing a continuing care business and building a continuing care retirement community. Each approval would have its own application and approval requirements.

The Department currently only assesses two fees related to CCRCs—a startup licensing fee and an annual disclosure fee. As Table 1 shows, the bill doubles these two existing fees and creates new fees. Overall, the bill would increase CCRC fee revenue by about \$72,000 each year.



**Table 1: Summary of Current and Proposed CCRC Fees and Revenues**

Section of Proposed G.S. 58-64A	Type of CCRC Fee	Current Fee (\$)	Proposed Fee (\$)	Est. Yearly Number to be Processed	Est. Yearly Additional Fee Revenue (\$)
50	Marketing (Deposit Acceptance) fee	—	200	1	200
55	Start-up application fee	1,000	2,000	1	2,000
90	Expansion fee	—	1,000	2	2,000
160	Annual disclosure statement	1,000	2,000	65	65,000
160	Late disclosure statement	—	1,000	2	2,000
185	Home Care application fee	—	500	1	500
<b>Total</b>					<b>71,700</b>

The following sections discuss FRD's methods to arrive at the bill's estimated fiscal impact.

**Changes to Current Fees.** To determine the estimated fiscal impact of the two fees the Department currently assesses, FRD relied on information from the Department of Insurance and the Office of State Budget and Management's fee reports. These data suggest the Department currently processes 1 CCRC license application and 65 CCRC annual disclosure statements per year. The one start-up license per year would generate \$1,000. After accounting for what CCRCs already pay for their annual disclosure statement, the net gain to the board at the new rate would be about \$65,000 per year.

**New CCRC Fees Not Currently Assessed.** To determine the fiscal impact of fees the Department does not currently assess, FRD used Departmental estimates of the numbers of CCRCs that would be subject to each respective type of new fee. FRD then multiplied each estimated number of persons subject to the fee by its corresponding proposed fee amount. Together, these new CCRC fees would generate an additional \$5,000 each year.

## **DATA SOURCES**

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N.C. Department of Insurance and Office of Management and Budget.

## **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.

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