

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research
733-4910

Prepared By: L. Carol Shaw	Date Prepared: 5-8-89	Bill No.: SB 23	Edition: Com. Sub. (Jud. III)
Approved By: Tom L. Covington TOMC	MAY 8, 1989		Sponsor Sen. Block
Short Title: Drug Testing Regulation			

TYPE OF FISCAL IMPACT		FUNDS AFFECTED:		() Other:		
		(X) General	() Highway	() Local		
County/						
	State Gov't	Local Gov't	State Fiscal Impact	FY 89-90	FY 90-91	FY
No Fiscal Impact	()	()	State Total Req'ments	\$43,571	\$42,589	
			Receipts/Revenues	-0-	-0-	
Increase Expenditure	(X)	()	Net State Expend./Rev.	\$43,571	\$42,589	
			No. of Positions	1	1	
Decrease Expenditure	()	()	-----			
			Local Fiscal Impact	FY	FY	FY
Increase Revenue	()	()	Local Total Req'ments			
Decrease Revenue	()	()	Receipts/Revenues	-- NONE --		
No Estimate Avail.	()	()	Net Local Expend./Rev.			
			No. of Positions			

Description of Legislation

1. Summary of Legislation

Establishes new GS Chapter 95, Article 19 entitled "Workplace Drug Testing Regulation Act" to regulate the drug testing of employees to that ensure fair and equitable drug testing in the workplace is done in accordance with this act.

Authorized Drug Testing: Drug testing can be done at an employer's request as authorized under this act including reasonable suspicion of drug use, random testing of employees in high risk or safety positions, post-accident testing, job applicant testing, and treatment program testing, and testing of drug manufacturing or distribution employees.

Administrative Procedures: Act authorizes procedures for administering drug tests in the workplace including requirement of written policy, collection of sample, approved labs for testing, test results, chain of custody for samples, opportunity to explain

positive result by employee, opportunity for retest, and confidentiality of test information. Employers are encouraged to provide an employee assistance program to employees testing positive during a random testing program. These employee assistance programs shall be registered by the Department of Labor.

No Duty to Test: Employers are not required to conduct drug testing.

Remedies and Administrative Relief: The Commissioner of Labor is authorized to investigate complaints of violations of this act. An employee may bring action against an employer who violates this act except lawsuits based on defamation against employer who have a drug testing program in compliance with this act unless information was disclosed to a nonauthorized person.

2. Effective Date

October 1, 1989

3. Fund or Tax Affected

General Fund

4. Principal Department/Program Affected

Department of Labor

Cost or Revenue Impact on State

	FY 89-90	FY 90-91	FY
1. Non-Recurring Costs/Revenues COSTS	\$43,571	\$42,589	

2. Recurring Costs/Revenues

3. Fiscal/Revenue Assumptions

The following assumptions were used for this fiscal note:

- 115 employee assistance programs (EAPs) to be registered by the Department of Labor.
- 1,000 employers conducting drug testing on an average of 50 people each for a total of 50,000 drug tests annually.
- 1/2 of 1% of the tests will raise questions under a law regulating testing or 250 inquiries to the Department of Labor.

-- Since there are four laboratories in N. C. conducting drug testing which have been certified by the College of American Pathology and another in Greenville, South Carolina which serves N. C. employers, there appears to be no great need for additional laboratory certification by the Department of Human Resources.

Based on these assumptions, one additional full-time professional employee will be needed in the Department of Labor to respond to drug testing inquiries, register EAPs, and represent the Commissioner of Labor in investigations of complaints of violations of this Act. See Attachment #1 for expenditure detail.

Sources of Data for Fiscal Note

N. C. Department of Labor

Technical
Considerations/Comment



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