



# NORTH CAROLINA GENERAL ASSEMBLY

2023 Session

## Legislative Fiscal Note

**Short Title:** Continuing Care Retirement Communities Act.-AB  
**Bill Number:** Senate Bill 145 (Third Edition)  
**Sponsor(s):** Sen. Todd Johnson

### SUMMARY TABLE

FISCAL IMPACT OF S.B. 145, V.3 (\$ in thousands)					
	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY 2026-27</u>	<u>FY 2027-28</u>
<b>State Impact</b>					
General Fund Revenue	67,500	68,500	69,500	70,500	71,500
Less Expenditures	-	-	-	-	-
<b>General Fund Impact</b>	<b>67,500</b>	<b>68,500</b>	<b>69,500</b>	<b>70,500</b>	<b>71,500</b>
<b>NET STATE IMPACT</b>	<b>\$ 67,500</b>	<b>\$ 68,500</b>	<b>\$ 69,500</b>	<b>\$ 70,500</b>	<b>\$ 71,500</b>

### FISCAL IMPACT SUMMARY

The bill repeals Article 64 of Chapter 58 and replaces it with a new Article 64A, Continuing Care Retirement Communities (CCRC) Act. The new article is a re-write of the State's licensing and regulation of the CCRC industry but does not substantively change the regulatory responsibility of the Department of Insurance (DOI). The bill increases existing fees and establishes a new fee for a Continuing Care at Home (CAAH) program offered by CCRCs. These fees are deposited in the General Fund as non-tax revenue to help offset the cost of DOI's operating budget.

### FISCAL ANALYSIS

The number of CCRCs operating in the State has grown around 1% over the last five years. Table 1 reflects the number of CCRCs and CAHs licensed in the State and the fees collected from FY 2018-19 through FY 2022-23.

**Table 1 Continuing Care Retirement Communities, At-Home Programs and Fees**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Licensed CCRCs	60	60	61	63	64
Licensed CCAHs	4	7	7	7	9
<b>Applications:</b>					
New CCRC	1	1	1	3	1
CCRC Expansion	3	9	3	2	1
CCAH	0	3	0	0	2
<b>Fees:</b>					
Start-up Certificate Application:					
CCRC \$1,000	1,000	1,000	1,000	3,000	1,000
CCAH \$0	N/A	N/A	N/A	N/A	N/A
CCRC Expansion \$1,000	3,000	9,000	3,000	2,000	1,000
Annual Disclosure Statement \$1,000	\$ 60,000	\$ 60,000	\$ 61,000	\$ 63,000	\$ 64,000
<b>Total Fees Collected</b>	<b>\$ 64,000</b>	<b>\$ 70,000</b>	<b>\$ 65,000</b>	<b>\$ 68,000</b>	<b>\$ 66,000</b>

The bill modifies the current CCRC fee schedule to double the Start-up Certificate fee from \$1,000 to \$2,000; Statement of Disclosure from \$1,000 to \$2,000 and Facility Expansion from \$1,000 to \$2,000; and establishes a new \$500 fee for CCRCs offering a continuing care at home program for individuals not residing in a CCRC. The bill increases the requirements for facility expansion from 10% of living units to 20% and is expected to slow CCHRC expansion applications. Based on historical growth patterns, CHRCs and CCAHs are projected to grow around 1% each year along with the corresponding fees as illustrated in Table 2.

**Table 2**

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Licensed CCRCs	65	66	67	68	69
Licensed CCAHs	9	10	11	12	13
<b>Applications:</b>					
New CCRC	1	1	1	1	1
CCRC Expansion	1	1	1	1	1
CCAH	1	1	1	1	1
<b>Fees:</b>					
Start-up Certificate Application:					
CCRC \$2,000	2,000	2,000	2,000	2,000	2,000
CCAH \$500	500	500	500	500	500
CCRC Expansion \$2,000	2,000	2,000	2,000	2,000	2,000
Annual Disclosure Statement \$2,000	130,000	132,000	134,000	136,000	138,000
<b>Total Fees</b>	<b>\$ 134,500</b>	<b>\$ 136,500</b>	<b>\$ 138,500</b>	<b>\$ 140,500</b>	<b>\$ 142,500</b>
<b>Fees Collected Current Fee Schedule</b>	<b>\$ 67,000</b>	<b>\$ 68,000</b>	<b>\$ 69,000</b>	<b>\$ 70,000</b>	<b>\$ 71,000</b>
<b>Net Impact on State Revenue</b>	<b>\$ 67,500</b>	<b>\$ 68,500</b>	<b>\$ 69,500</b>	<b>\$ 70,500</b>	<b>\$ 71,500</b>

## **TECHNICAL CONSIDERATIONS**

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N/A.

## **DATA SOURCES**

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DEPARTMENT OF INSURANCE.

## **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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June 26, 2023



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