



NOTICE OF TEXT [Authority G.S. 150B-21.2(c)]

OAH USE ONLY

VOLUME:

ISSUE:

CHECK APPROPRIATE BOX:

- Notice with a scheduled hearing
 Notice without a scheduled hearing
 Republication of text. Complete the following cite for the volume and issue of previous publication, as well as blocks 1 - 4 and 7 - 14. If a hearing is scheduled, complete block 5.
Previous publication of text was published in Volume: Issue:

1. Rule-Making Agency:

N.C. Department of the Secretary of State

2. Link to agency website pursuant to G.S. 150B-19.1(c):

https://www.sosnc.gov/divisions/general_counsel/current_rulemaking

3. Proposed Action -- Check the appropriate box(es) and list rule citation(s) beside proposed action:

ADOPTION:

AMENDMENT:

18 NCAC 06A .2120

REPEAL:

READOPTION with substantive changes:

READOPTION without substantive changes:

REPEAL through READOPTION:

4. Proposed effective date: 2/1/2021

5. Is a public hearing planned? Yes No

If yes: Public Hearing date: October 21, 2020

Public Hearing time: 10:00a.m. - 10:30a.m.

Public Hearing location: (978) 990-5311 Access code: 482848

6. If no public hearing is scheduled, provide instructions on how to demand a public hearing:

7. Explain Reason For Proposed Rule(s):

In March 2020, the COVID-19 pandemic and the NC Stay At Home state of emergency order caused, and has continued to cause, substantial economic disruption to NC businesses. On July 1, 2020, the NC Secretary of State temporarily amended the effective dates of the Local Public Offering ("LPO") Crowdfunding "Sunset Rule" to further assist NC small businesses that were facing economic uncertainty. As the first of its kind in the country, LPO Crowdfunding is a way for businesses to raise necessary capital from a large number of local investors. To continue the accessibility of responsible intrastate crowdfunding, the Secretary of State seeks an amendment to the Sunset Rule, 18 NCAC 06A .2120, to (1) extend the sunset provisions to accept new Form NCE – LPO or other filings related to a new LPO by five years and (2) extend the expiration of the rules in Section .2100 by five years. In essence, the Secretary of State is adopting the temporary rule amendments as permanent amendments.

8. Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission. If the Rules Review Commission receives written and signed objections in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or facsimile transmission. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 984-236-1850.

Rule(s) is automatically subject to legislative review. Cite statutory reference:

9. The person to whom written comments may be submitted on the proposed rule(s):

Name: Ann B. Wall

Address:

Physical: 2 South Salisbury St., Raleigh, NC 27601-2903; Mailing: P.O. Box 29622, Raleigh, NC 29626-0622

Phone (optional): 919-814-5305

Fax (optional): 919-807-2010

E-Mail (optional): rules@sosnc.gov

10. Comment Period Ends: 11/30/2020

11. Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- State funds affected
- Local funds affected
- Substantial economic impact (≥\$1,000,000)
- Approved by OSBM
- No fiscal note required

12. Rule-making Coordinator:

Ann B. Wall

Phone: 919-814-5305

E-Mail:

awall@sosnc.gov

Additional agency contact, if any:

Nourhan "Sunny" Mansour

Phone: 919-814-5505

E-mail:

nmansour@sosnc.gov

13. The Agency formally proposed the text of this rule(s) on

Date: 09/9/2020

14. Signature of Agency Head* or Rule-making Coordinator:



Typed Name: Ann B. Wall

Title: General Counsel/Rule-Making Coordinator

**If this function has been delegated (reassigned) pursuant to G.S. 143B-10(a), submit a copy of the delegation with this form.*