

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 586
PROPOSED COMMITTEE SUBSTITUTE H586-PCS90111-RI-22

Short Title: Enhance Water Supply Funding.

(Public)

Sponsors:

Referred to:

April 5, 2011

A BILL TO BE ENTITLED

AN ACT TO AMEND THE STATUTES GOVERNING THE CLEAN WATER
MANAGEMENT TRUST FUND TO PROVIDE THAT THE FUND MAY BE USED TO
PRESERVE LANDS FOR THE DEVELOPMENT OF WATER SUPPLY RESERVOIRS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 113A-251 reads as rewritten:

"§ 113A-251. **Purpose.**

The General Assembly recognizes that a critical need exists in this State to clean up pollution in the State's surface waters and to ~~protect~~protect, preserve, and conserve those waters that are not yet polluted. The task of cleaning up polluted waters and protecting and enhancing the State's water resources is multifaceted and requires different approaches, including innovative pilot projects, that take into account the problems, the type of pollution, the geographical area, and the recognition that the hydrological and ecological values of each resource sought to be upgraded, conserved, and protected are unique.

It is the intent of the General Assembly that moneys from the Fund created under this Article shall be used to help finance projects that specifically address water pollution problems and focus on upgrading surface waters, eliminating pollution, and ~~protecting~~protecting, preserving, and conserving unpolluted surface waters, including enhancement or development of urban-drinking water supplies. It is the further intent of the General Assembly that moneys from the Fund also be used to build a network of riparian buffers and greenways for environmental, educational, and recreational benefits. It is lastly the intent of the General Assembly that moneys from the Fund also be used to preserve lands that could be used for water supply reservoirs. While the purpose of this Article is to focus on the cleanup and prevention of pollution of the State's surface ~~waters~~waters, ~~and~~ the establishment of a network of riparian buffers and greenways, and the preservation of property for establishing clean water supplies, the General Assembly believes that the results of these efforts will also be beneficial to wildlife and marine fisheries habitats."

SECTION 2. G.S. 113A-253 reads as rewritten:

"§ 113A-253. **Clean Water Management Trust Fund.**

(a) Fund Established. – The Clean Water Management Trust Fund is established as a special revenue fund. The Fund receives revenue from the following sources and may receive revenue from other sources:

(1) Annual appropriations under ~~G.S. 143-15.3B~~G.S. 113A-253.1.



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1 (2) Scenic River special registration plates under G.S. 20-81.12.

2 (b) Fund Earnings, Assets, and Balances. – The State Treasurer shall hold the Fund
3 separate and apart from all other moneys, funds, and accounts. Investment earnings credited to
4 the assets of the Fund shall become part of the Fund. Any balance remaining in the Fund at the
5 end of any fiscal year shall be carried forward in the Fund for the next succeeding fiscal year.
6 Payments from the Fund shall be made on the warrant of the Chair of the Board of Trustees.

7 (c) Fund Purposes. – Moneys from the Fund are appropriated annually to finance
8 projects to clean up or prevent surface water pollution and for land preservation in accordance
9 with this Article. Revenue in the Fund may be used for any of the following purposes:

10 (1) To acquire land for riparian buffers for the purposes of providing
11 environmental protection for surface waters and urban drinking water
12 supplies and establishing a network of riparian greenways for environmental,
13 educational, and recreational uses and to retire debt incurred for this purpose
14 under Article 9 of Chapter 142 of the General Statutes.

15 (2) To acquire conservation easements or other interests in real property for the
16 purpose of protecting and conserving surface waters and enhancing urban
17 drinking water supplies, including the development of water supply
18 reservoirs, and to retire debt incurred for this purpose under Article 9 of
19 Chapter 142 of the General Statutes.

20 (3) To coordinate with other public programs involved with lands adjoining
21 water bodies to gain the most public benefit while protecting and improving
22 water quality and to retire debt incurred for this purpose under Article 9 of
23 Chapter 142 of the General Statutes.

24 (4) To restore previously degraded lands to reestablish their ability to protect
25 water quality and to retire debt incurred for this purpose under Article 9 of
26 Chapter 142 of the General Statutes.

27 (5) To repair failing wastewater collection systems and wastewater treatment
28 works if the repair is a reasonable remedy for resolving an existing waste
29 treatment problem and the repair is not for the purpose of expanding the
30 system to accommodate future anticipated growth of a community.

31 (6) To repair and eliminate failing septic tank systems, to eliminate illegal
32 drainage connections, and to expand a wastewater collection system or
33 wastewater treatment works if the expansion eliminates failing septic tank
34 systems or illegal drainage connections.

35 (7) To finance stormwater quality projects.

36 (8) To facilitate planning that targets reductions in surface water pollution.

37 (8a) To finance innovative efforts, including pilot projects, to improve
38 stormwater management, to reduce pollutants entering the State's waterways,
39 to improve water quality, and to research alternative solutions to the State's
40 water quality problems.

41 (9) To fund operating expenses of the Board of Trustees and its staff.

42 (d) Limit on Operating and Administrative Expenses. – No more than two percent (2%)
43 of the annual balance of the Fund on 1 July or a total sum of one million two hundred fifty
44 thousand dollars (\$1,250,000), whichever is greater, may be used each fiscal year for
45 administrative and operating expenses of the Board of Trustees and its staff."

46 **SECTION 3.** G.S. 113A-253.1 reads as rewritten:

47 **"§ 113A-253.1. The Clean Water Management Trust Fund; appropriation.**

48 (a) The General Assembly finds that, due to the critical need in this State to clean up
49 pollution in the State's surface ~~waters and waters~~, to protect and conserve those waters that are
50 not yet polluted, and to preserve lands that may be used for water supply reservoirs, it is
51 imperative that the State provide a minimum of one hundred million dollars (\$100,000,000)

1 each calendar year to the Clean Water Management Trust Fund; therefore, there is annually
2 appropriated from the General Fund to the Clean Water Management Trust Fund the sum of
3 one hundred million dollars (\$100,000,000).

4 (b) The funds in the Clean Water Management Trust Fund shall be used only in
5 accordance with this Article."

6 **SECTION 4.** G.S. 113A-256 reads as rewritten:

7 "**§ 113A-256. Clean Water Management Trust Fund Board of Trustees: powers and**
8 **duties.**

9 (a) Allocate Grant Funds. – The Trustees shall allocate moneys from the Fund as
10 grants. A grant may be awarded only for a project or activity that satisfies the criteria and
11 furthers the purposes of this Article.

12 (b) Develop Grant Criteria. – The Trustees shall develop criteria for awarding grants
13 under this Article. The criteria developed shall include consideration of the following:

14 (1) The significant enhancement and conservation of water quality in the State.

15 (2) The objectives of the basinwide management plans for the State's river
16 basins and watersheds.

17 (3) The promotion of regional integrated ecological networks insofar as they
18 affect water quality.

19 (4) The specific areas targeted as being environmentally sensitive.

20 (5) The geographic distribution of funds as appropriate.

21 (6) The preservation of water resources with significant recreational or
22 economic value and uses.

23 (7) The development of a network of riparian buffer-greenways bordering and
24 connecting the State's waterways that will serve environmental, educational,
25 and recreational uses.

26 (8) Water supply availability and the public's need for resources adequate to
27 meet demand for essential water uses. Criteria developed pursuant to this
28 subdivision may include consideration of the likelihood of a proposed water
29 supply project ultimately being permitted and built.

30 (c) Develop Additional Guidelines. – The Trustees may develop guidelines in addition
31 to the grant criteria consistent with and as necessary to implement this Article.

32 (d) Acquisition of Land. – The Trustees may acquire land by purchase, negotiation, gift,
33 or devise. Any acquisition of land by the Trustees must be reviewed and approved by the
34 Council of State and the deed for the land subject to approval of the Attorney General before
35 the acquisition can become effective. In determining whether to acquire land as permitted by
36 this Article, the Trustees shall consider whether the acquisition furthers the purposes of this
37 Article and may also consider recommendations from the Council. Nothing in this section shall
38 allow the Trustees to acquire land under the right of eminent domain.

39 (e) Exchange of Land. – The Trustees may exchange any land they acquire in carrying
40 out the powers conferred on the Trustees by this Article.

41 (f) Land Management. – The Trustees may designate managers or managing agencies
42 of the lands acquired under this Article.

43 (g) Tax Credit Certification. – The Trustees shall develop guidelines to determine
44 whether land donated for a tax credit under G.S. 105-130.34 or G.S. 105-151.12 are suitable for
45 one of the purposes under this Article and may be certified for a tax credit.

46 (h) Rule-making Authority. – The Trustees may adopt rules to implement this Article.
47 Chapter 150B of the General Statutes applies to the adoption of rules by the Trustees.

48 (i) Repealed by Session Laws 1999-237, s. 15.11, effective July 1, 1999.

49 (j) Debt. – Of the funds credited annually to the Fund, the Trustees may authorize
50 expenditure of a portion to reimburse the General Fund for debt service on special indebtedness
51 to be issued or incurred under Article 9 of Chapter 142 of the General Statutes for the purposes

1 provided in G.S. 113A-253(c)(1) through (4). In order to authorize expenditure of funds for
2 debt service reimbursement, the Trustees must identify to the State Treasurer and the
3 Department of Administration the specific capital projects for which they would like special
4 indebtedness to be issued or incurred and the annual amount they intend to make available, and
5 request the State Treasurer to issue or incur the indebtedness. After special indebtedness has
6 been issued or incurred for a capital project requested by the Trustees, the Trustees must direct
7 the State Treasurer to credit to the General Fund each year the actual aggregate principal and
8 interest payments to be made in that year on the special indebtedness, as identified by the State
9 Treasurer."

10 **SECTION 5.** This act is effective when it becomes law.