

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 553
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Proposed Conference Committee Substitute S553-PCCS45353-BCxr-1

Short Title: Regulatory Reform Act of 2019.

(Public)

Sponsors:

Referred to:

April 3, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH
3 CAROLINA.

4 The General Assembly of North Carolina enacts:

5
6 **PART I. STATE AND LOCAL GOVERNMENT REGULATION**

7
8 **INCREASE LIMITS ON PUBLIC EMPLOYEES BENEFITTING FROM PUBLIC**
9 **CONTRACTS**

10 SECTION 1.(a) G.S. 14-234 reads as rewritten:

11 "§ 14-234. Public officers or employees benefiting from public contracts; exceptions.

12 ...

13 (d1) Subdivision (a)(1) of this section does not apply to (i) any elected official or person
14 appointed to fill an elective office of a village, town, or city having a population of no more than
15 15,000 according to the most recent official federal census, (ii) any elected official or person
16 appointed to fill an elective office of a county within which there is located no village, town, or
17 city with a population of more than 15,000 according to the most recent official federal census,
18 (iii) any elected official or person appointed to fill an elective office on a city board of education
19 in a city having a population of no more than 15,000 according to the most recent official federal
20 census, (iv) any elected official or person appointed to fill an elective office as a member of a
21 county board of education in a county within which there is located no village, town or city with
22 a population of more than 15,000 according to the most recent official federal census, (v) any
23 physician, pharmacist, dentist, optometrist, veterinarian, or nurse appointed to a county social
24 services board, local health board, or area mental health, developmental disabilities, and
25 substance abuse board serving one or more counties within which there is located no village,
26 town, or city with a population of more than 15,000 according to the most recent official federal
27 census, and (vi) any member of the board of directors of a public hospital if all of the following
28 apply:

- 29 (1) The undertaking or contract or series of undertakings or contracts between the
30 village, town, city, county, county social services board, county or city board
31 of education, local health board or area mental health, developmental



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1 disabilities, and substance abuse board, or public hospital and one of its
2 officials is approved by specific resolution of the governing body adopted in
3 an open and public meeting, and recorded in its minutes and the amount does
4 not exceed twenty thousand dollars (\$20,000) for medically related services
5 and ~~forty thousand dollars (\$40,000)~~ sixty thousand dollars (\$60,000) for
6 other goods or services within a 12-month period.

7 (2) The official entering into the contract with the unit or agency does not
8 participate in any way or vote.

9 (3) The total annual amount of contracts with each official, shall be specifically
10 noted in the audited annual financial statement of the village, town, city, or
11 county.

12 (4) The governing board of any village, town, city, county, county social services
13 board, county or city board of education, local health board, area mental
14 health, developmental disabilities, and substance abuse board, or public
15 hospital which contracts with any of the officials of their governmental unit
16 shall post in a conspicuous place in its village, town, or city hall, or
17 courthouse, as the case may be, a list of all such officials with whom such
18 contracts have been made, briefly describing the subject matter of the
19 undertakings or contracts and showing their total amounts; this list shall cover
20 the preceding 12 months and shall be brought up-to-date at least quarterly.

21"

22 **SECTION 1.(b)** This section is effective when it becomes law and applies to
23 contracts executed on or after that date.

24 25 **AMENDMENTS TO THE 2018 NORTH CAROLINA BUILDING CODE AND** 26 **PLUMBING CODE**

27 **SECTION 2.(a)** Definitions. – As used in this section, "Council" means the Building
28 Code Council, "Building Code" means the 2018 North Carolina Building Code as adopted by the
29 Council, and "Plumbing Code" means the 2018 North Carolina Plumbing Code as adopted by
30 the Council.

31 **SECTION 2.(b)** Section 2902.6 of the Building Code and Table 403.1 of the
32 Plumbing Code. – Until the effective date of the revised permanent rules that the Building Code
33 Council is required to adopt pursuant to subsection (d) of this section, the Council shall
34 implement the applicable requirements of Section 2902.6 of the Building Code and Table 403.1
35 of the Plumbing Code, as provided in subsection (c) of this section.

36 **SECTION 2.(c)** Implementation. – The Council shall (i) not require drinking
37 fountains for an occupant load of 30 or fewer, (ii) only require one water closet for business
38 occupancies with an occupant load of 30 or fewer, and (iii) not require a service sink for business
39 and mercantile occupancies with an occupant load of 30 or fewer.

40 **SECTION 2.(d)** Additional Rule-Making Authority. – The Council shall adopt rules
41 to amend Section 2902.6 of the Building Code and Table 403.1 of the Plumbing Code consistent
42 with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rules adopted by the
43 Council, pursuant to this section, shall be substantively identical to the provisions of subsection
44 (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A
45 of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become
46 effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been
47 received as provided by G.S. 150B-21.3(b2).

48 **SECTION 2.(e)** Sunset. – This section expires when permanent rules adopted as
49 required by subsection (d) of this section become effective.

50 51 **FIRE CODE WASTE ACCUMULATION PROVISIONS**

1 **SECTION 3.(a)** Definitions. – As used in this act, "Council" means the Building
2 Code Council, "Code" means the 2018 North Carolina Fire Prevention Code (NCFPC) as adopted
3 by the Council, and "exit obstruction and waste accumulation provisions" means sections 304.1
4 (Waste Accumulation Prohibited), 304.2 (Storage), 1031.2 (Reliability), and 1031.3
5 (Obstructions) of the Code.

6 **SECTION 3.(b)** New Code Amendment. – Until the effective date of revised
7 permanent rules the Council is required to adopt pursuant to subsection (d) of this section, the
8 Council and local governments enforcing the Code shall follow the provisions of subsection (c)
9 of this section with respect to exit obstruction and waste accumulation.

10 **SECTION 3.(c)** Implementation. – Notwithstanding any provision of the Code to
11 the contrary, code enforcement authorities with jurisdiction over apartment occupancies shall
12 permit doorstep refuse and recycling collection containers which stand upright on their own and
13 do not leak liquids when standing upright in exit access corridors as follows:

- 14 (1) With respect to apartment occupancies, when all of the following conditions
15 exist:
 - 16 a. The maximum doorstep refuse and recycling collection container size
17 does not exceed 15 gallons and the number of containers does not
18 exceed one refuse and one recycling collection container for a total of
19 two containers per dwelling unit.
 - 20 b. Waste in a doorstep refuse and recycling collection container is not
21 placed in the exit access corridors for single periods exceeding five
22 hours.
 - 23 c. Doorstep refuse and recycling collection containers do not occupy the
24 exit access corridors for single periods exceeding 12 hours.
 - 25 d. Doorstep refuse and recycling collection containers do not reduce the
26 means of egress width below that required under sections 1005 and
27 1020.2 of the Code.
 - 28 e. Management staff of the apartment occupancy has written policies and
29 procedures in place and enforce them to ensure compliance with this
30 subdivision, and, upon request, provide a copy of those policies and
31 procedures to the code enforcement authority having jurisdiction.
- 32 (2) The code enforcement authority having jurisdiction may approve alternative
33 containers and storage arrangements that are demonstrated to provide an
34 equivalent level of safety to that provided under subdivision (1) of this section.
- 35 (3) To provide a transition period for compliance with the requirements of this
36 section, code enforcement authorities having jurisdiction shall allow
37 apartment occupancies a phase-in period until December 31, 2020, to comply
38 with this subsection.
- 39 (4) The use of doorstep refuse and recycling collection containers in apartment
40 occupancies with exit access corridors or open-air corridors with balconies
41 served by exterior exit stairs is revocable by the fire code enforcement official
42 having jurisdiction for violations of sub-subdivision (c)(1)e. of this section.

43 **SECTION 3.(d)** Rule-Making Authority. – Notwithstanding G.S. 150B-19(4), the
44 Council shall revise the exit obstruction and waste accumulation provisions of the NCFPC in a
45 manner similar to the provisions of subsection (c) of this section.

46 **SECTION 3.(e)** Sunset. – Subsection (c) of this section expires on the date that
47 permanent rules adopted pursuant to subsection (d) of this section become effective. The Council
48 may adopt temporary rules to implement this act.

49 **SECTION 3.(f)** Effective Date. – This section becomes effective July 1, 2019.
50

MODIFY REAL ESTATE LICENSING REQUIREMENTS FOR TIME SHARE SALESPEOPLE**SECTION 4.** G.S. 93A-40(a) reads as rewritten:

"(a) It shall be unlawful for any person in this State to engage or assume to engage in the business of a time share salesperson ~~without first obtaining a real estate broker license issued by the North Carolina Real Estate Commission under the provisions of Article 1 of this Chapter, and it shall be unlawful for a time share developer or time share salesperson, or to sell or offer to sell a time share located in this State without the time share developer first obtaining a certificate of registration for the time share project to be offered for sale issued by the North Carolina Real Estate Commission under the provisions of this Article. A time share salesperson shall be a licensed real estate broker subject to the provisions of this Chapter unless the time share salesperson meets the requirement for exemption set forth in G.S. 93A-2(c)(1) or is an employee of the registered time share developer and their income is reported on IRS Form W-2 of the registered time share developer.~~"

STUDY ONLINE CONTINUING EDUCATION REQUIREMENTS

SECTION 5.(a) Every occupational licensing board as defined in Chapter 93B of the General Statutes shall study and report on any available options offered for online continuing education if continuing education is a requirement for licensure under the occupational licensing board's applicable laws or regulations. The study and report shall include:

- (1) A list and description of every option for continuing education made available to each licensee, including every traditional method, and every online method, if any are offered. If no online methods are offered, a detailed explanation as to why none are offered, which shall include any logistical, cost, legal, or other concerns.
- (2) The approximate number of offerings made available for each method and the cost associated with each offering. The cost shall include a description of the fees charged to the licensee for the continuing education and the associated cost to the occupational licensing board for providing the continuing education offering.
- (3) A description of how each method of continuing education offered is accessed by the licensee.

SECTION 5.(b) Each occupational licensing board required to study and report under subsection (a) of this section shall provide its report to the Joint Legislative Administrative Procedure Oversight Committee and the Program Evaluation Division no later than December 1, 2019.

EXEMPT ONSLOW AND ROCKINGHAM COUNTIES FROM VEHICLE EMISSIONS TESTING**SECTION 6.(a)** G.S. 143-215.107A(c) reads as rewritten:

"(c) Counties Covered. – Motor vehicle emissions inspections shall be performed in the following counties: Alamance, Buncombe, Cabarrus, Cumberland, Davidson, Durham, Forsyth, Franklin, Gaston, Guilford, Iredell, Johnston, Lee, Lincoln, Mecklenburg, New Hanover, ~~Onslow, Randolph, Rockingham, Rowan, Union, and Wake.~~"

SECTION 6.(b) No later than December 31, 2019, the Department of Environmental Quality shall prepare and submit to the United States Environmental Protection Agency for approval by that agency a proposed North Carolina State Implementation Plan amendment based on the change to the motor vehicle emissions testing program provided in this section.

SECTION 6.(c) Subsection (a) of this section becomes effective on the later of the following dates and applies to motor vehicles inspected, or due to be inspected, on or after that effective date:

- 1 (1) January 1, 2020.
- 2 (2) The first day of a month that is 60 days after the Secretary of the Department
3 of Environmental Quality certifies to the Revisor of Statutes that the United
4 States Environmental Protection Agency has approved an amendment to the
5 North Carolina State Implementation Plan submitted as required by Section
6 6(b) of this act. The Secretary shall provide this notice along with the effective
7 date of this act on its Web site and by written or electronic notice to emissions
8 inspection mechanic license holders, emissions inspection station licensees,
9 and self-inspector licensees in the county where motor vehicle emissions
10 inspection requirements are removed by this act.

11 **SECTION 6.(d)** Except as otherwise provided, this section is effective when it
12 becomes law.

13 **TEMPORARY EVENT VENUES**

14 **SECTION 7.(a)** Part 3 of Article 18 of Chapter 153A of the General Statutes is
15 amended by adding a new section to read:

16 **"§ 153A-341.4 Temporary event venues authorized.**

17 A county may, by ordinance, establish a process to permit temporary event venues using the
18 procedure prescribed in G.S. 160A-383.6."

19 **SECTION 7.(b)** Part 3 of Article 19 of Chapter 160A of the General Statutes is
20 amended by adding a new section to read:

21 **"§ 160A-383.6. Temporary event venues authorized.**

22 (a) A city may, by ordinance, establish a process to permit temporary event venues as
23 provided in this section. A temporary event venue shall be defined as an existing publicly or
24 privately owned building or structure suitable for use as a site for public or private events relating
25 to entertainment, education, marketing, meetings, sales, trade shows, and any other activities or
26 occasions that the city may, by ordinance, authorize. A temporary event shall be one lasting no
27 longer than 72 hours.

28 (b) A city may consider a temporary event venue as a permitted accessory use in any of
29 its zoning districts. Enactment of a temporary event venue ordinance and issuance of a temporary
30 event permit under this section shall not be considered a zoning map amendment under this
31 Article.

32 (c) Only one temporary event venue shall be allowed on a lot or parcel of land. The
33 temporary event venue permitted under this section shall not require a special use permit or be
34 subjected to any other local zoning requirements beyond those imposed upon other authorized
35 accessory use structures, except as otherwise provided in this section. Except as provided in
36 subsection (h) of this section, for each temporary event venue issued a permit under this section,
37 no more than 24 temporary events may be conducted in a calendar year.

38 (d) An ordinance authorizing temporary event venues shall set forth the following:

- 39 (1) The zoning districts within which a temporary event venue may lie.
- 40 (2) The process a person seeking a temporary event venue permit, or its renewal,
41 must follow.
- 42 (3) The specific criteria to be considered by the city when determining whether
43 to issue a temporary event venue permit. The criteria shall include the
44 character of the district in which the permit is sought and the site's suitability
45 for use as a temporary event venue.
- 46 (4) The temporary events, not inconsistent with subsection (a) of this section,
47 authorized in the venue.
- 48 (5) The duration of the temporary event venue permit.
- 49 (6) Any capacity limitations of the temporary event venue.
- 50 (7) The fee structure for the fees authorized by this section.
- 51

1 (8) Any other relevant matters.

2 (e) Any person proposing to operate a temporary event venue shall first obtain a permit
3 from the city. The issuance of a temporary event venue permit shall not be considered a
4 quasi-judicial act. The city may charge a fee of up to one hundred dollars (\$100.00) for the initial
5 permit and an annual renewal fee of up to fifty dollars (\$50.00). Before issuing or renewing a
6 temporary event venue permit, a city shall conduct an inspection of the proposed temporary event
7 venue to ensure that the health, safety, and welfare of the public will not be impaired by
8 attendance at or participation in a temporary event. The inspection shall address the general
9 structural stability of the temporary event venue, its fire safety, and whether it has sufficient toilet
10 facilities taking into consideration its capacity.

11 (f) Subject to the provisions of this subsection, a city may require the permit applicant to
12 take reasonable measures to address any safety or public health concerns raised by the inspection
13 conducted under subsection (e) of this section. No permit shall be required under the North
14 Carolina State Building Code or any local variant approved under G.S. 143-138(e) for any
15 construction, installation, repair, replacement, or alteration of a temporary event venue either
16 required by the city as a result of the inspection conducted under subsection (e) of this section or
17 undertaken by the permittee to otherwise improve the temporary event venue. A city may require
18 use of temporary toilet facilities at temporary events. Nothing in this section shall be construed
19 to exempt a temporary event venue from compliance with federal laws, rules, or regulations.

20 (g) The Building Code Council shall create an inspection checklist that may be used by
21 counties and cities for inspections conducted under subsection (e) of this section. Nothing shall
22 prohibit counties and cities from conducting inspections and issuing temporary event venue
23 permits prior to promulgation by the Building Code Council of the checklist.

24 (h) Nothing shall preclude a permittee operating under a temporary event venue permit
25 from seeking a rezoning of the parcel to a zoning district that would allow a permitted use of the
26 venue for events of the type authorized by a temporary event permit. Any such rezoning
27 application would be subject to the requirements of this Article. If a rezoning application is
28 submitted in good faith, a city may authorize the temporary event venue to hold more than 24
29 temporary events in one calendar year while the rezoning is pending. If the temporary event
30 venue is rezoned, the temporary event venue permit shall become void and the venue shall
31 operate under all rules, regulations, and requirements of law, including the North Carolina State
32 Building Code, any local variant under G.S. 143-138(e), and city ordinances."

33 **SECTION 7.(c)** G.S. 143-138 reads as rewritten:

34 **"§ 143-138. North Carolina State Building Code.**

35 ...

36 (b21) Exclusion for Temporary Event Venues. – No permit shall be required under the
37 North Carolina State Building Code or any local variant approved under subsection (e) of this
38 section for any construction, installation, repair, replacement, or alteration of a temporary event
39 venue issued a temporary event venue permit under G.S. 160A-383.6.

40 "

41 **SECTION 7.(d)** G.S. 160A-383.1 is amended by adding a new subsection to read:

42 "(b21) Exclusion for Temporary Event Venues. – No permit shall be required under the
43 North Carolina State Building Code or any local variant approved under subsection (e) of this
44 section for any construction, installation, repair, replacement, or alteration of a temporary event
45 venue issued a temporary event venue permit under G.S. 160A-383.6."

46 **SECTION 7.(e)** This section is effective October 1, 2019.

47 **NC PRE-K SCHOOL OPTIONS**

48 **SECTION 8.(a)** The Division of Childhood Development and Early Education of
49 the Department of Health and Human Services shall post the following information on its Web
50 site:
51

- 1 (1) The educational opportunities for kindergarten offered by local school
2 administrative units.
- 3 (2) The educational opportunities for kindergarten offered by charter schools.
- 4 (3) Scholarships for enrollment in non-public schools provided pursuant to Part
5 2A of Article 39 of Chapter 115C of the General Statutes, or any successor
6 program.

7 This information shall be indexed or searchable by county, and the Division shall
8 update the information on June 1 each year.

9 Facilities participating in the NC Pre-K program shall provide to all families the
10 address of the Web site where the information can be found and a brief description of the
11 information available. Upon request, a facility participating in the NC Pre-K program must
12 furnish to a family a list of the following educational opportunities located in the same county as
13 the NC Pre-K facility, or, if specified, any other county:

- 14 (1) The educational opportunities for kindergarten offered by local school
15 administrative units.
- 16 (2) The educational opportunities for kindergarten offered by charter schools.
- 17 (3) Scholarships for enrollment in non-public schools provided pursuant to Part
18 2A of Article 39 of Chapter 115C of the General Statutes, or any successor
19 program.

20 **SECTION 8.(b)** This section is effective January 1, 2020.

21

22 **PART II. AGRICULTURE, ENERGY, ENVIRONMENT, AND NATURAL**

23 **RESOURCES REGULATION**

24

25 **CLARIFY LANDFILL LIFE-OF-SITE FRANCHISE REQUIREMENTS**

26 **SECTION 9.** G.S. 130A-294(a4) reads as rewritten:

27 "(a4) In order to preserve long-term disposal capacity, a life-of-site permit issued for a
28 sanitary landfill shall survive the expiration of a local government approval or franchise, and the
29 local government shall allow the sanitary landfill to continue to operate until the term of the
30 landfill's life-of-site permit expires provided that the owner or operator ~~has complied is in~~
31 substantial compliance with the terms of the local government approval or franchise ~~agreement,~~
32 ~~and remains in compliance with those terms after expiration of the approval or agreement until~~
33 ~~the life of site permit has expired.~~ agreement. In order to preserve any economic benefits
34 included in the franchise, the County may extend the franchise under the same terms and
35 conditions for the term of the life-of-site permit. The extension of the franchise hereby shall not
36 trigger the requirements for a new permit, a major permit modification, or a substantial
37 amendment to the permit. This subsection only applies to valid and operative franchise
38 agreements in effect on October 1, 2015."

39

40 **REPURPOSE PRE-REGULATORY LANDFILL FUNDS**

41 **SECTION 10.** Section 13.2 of S.L. 2018-5, as amended by Section 4.2 of S.L.
42 2018-97, reads as rewritten:

43 "**SECTION 13.2.** Notwithstanding G.S. 130A-310.11(b), up to two million dollars
44 (\$2,000,000) of the funds credited to the Inactive Hazardous Sites Cleanup Fund under
45 G.S. 105-187.63 for the assessment and remediation of pre-1983 landfills shall instead be used
46 by the Department of Environmental Quality's Division of Waste Management to provide a
47 matching grant to Charlotte Motor Speedway, LLC, (CMS) for the purpose of remediation
48 activities at the Charlotte Motor Speedway in Cabarrus County. The Division shall provide one
49 dollar (\$1.00) for every ~~two one~~ non-State ~~dollars (\$2.00)~~ dollar (\$1.00) provided in kind or
50 otherwise, up to a maximum of two million dollars (\$2,000,000) for the matching grant described
51 in this section. CMS may allocate all or a portion of the grant provided by this section to an entity

1 that controls CMS or an entity controlled by CMS. Entities receiving such an allocation shall be
2 considered a subgrantee as defined in G.S. 143C-6-23."
3

4 **STUDY EXPRESS PERMITTING EXPANSION**

5 **SECTION 11.** The Department of Environmental Quality shall study and report on
6 additional positions and funding needed as well as any changes in State or federal laws and
7 regulations necessary to expand the Department's express permitting programs to include
8 additional types of permits typically required for job creating and real estate development or
9 redevelopment activities. Additional permits considered in the study shall include, at a minimum,
10 permits for facilities not discharging to the surface waters of the State under Article 21 of Chapter
11 143 of the General Statutes and permits to apply petroleum-contaminated soil to land authorized
12 under G.S. 143-215.1. The Department shall provide its report and recommendations to the
13 Environmental Review Commission, the Joint Legislative Oversight Committee on Agriculture
14 and Natural and Economic Resources, and the Fiscal Research Division no later than March 1,
15 2020.
16

17 **EXTEND EMERGENCY GENERAL PERMIT DEADLINES**

18 **SECTION 12.** CAMA Emergency General Permit Extension. – Notwithstanding the
19 time lines set forth in 15A NCAC 07H .2502 or other applicable law to the contrary, Coastal
20 Area Management Act Emergency General Permits authorized in response to Hurricanes
21 Florence and Michael and activated by the Secretary of the Department of Environmental Quality
22 in a September 20, 2018, statement, as amended on October 12, 2018, shall be subject to the
23 following schedule:

- 24 (1) All emergency general permits must be issued by October 12, 2019.
- 25 (2) All work authorized by the emergency general permits must be completed by
26 October 12, 2020.
27

28 **WASTEWATER RESERVE PRIORITY**

29 **SECTION 13.(a)** G.S. 159G-23 reads as rewritten:

30 **"§ 159G-23. Priority consideration for loan or grant from Wastewater Reserve or Drinking** 31 **Water Reserve.**

32 The considerations for priority in this section apply to a loan or grant from the Wastewater
33 Reserve or the Drinking Water Reserve. The Division of Water Infrastructure must consider the
34 following items when evaluating applications:

- 35 ...
- 36 (2) Effect on impaired waters. – A project that improves designated impaired
37 waters of the State, with greater priority given to projects that improve
38 designated impaired waters of the State that serve as a public water supply for
39 a large public water system. For purposes of this subdivision, a large public
40 water system is one serving more than 175,000 service connections.
- 41 ...
- 42 (11) State water supply plan. – Improve regional coordination. – A project that
43 addresses a potential conflict between local plans or implements a measure in
44 which local water supply plans could be better eordinated, as identified in
45 the State water supply plan pursuant to G.S. 143-355(m).coordinated.
- 46 ...
- 47 (14) Disproportionate burden to protect water supply of higher-wealth neighboring
48 local government unit. – Wastewater system improvements made by a local
49 government unit in order to protect or preserve the water supply of a
50 neighboring local government unit that has a lower poverty rate, lower utility

1 bills, higher population growth, higher median household incomes, and lower
 2 unemployment."

3 **SECTION 13.(b)** This section becomes effective July 1, 2019, and applies to
 4 applications for loans or grants from the Wastewater Reserve or the Drinking Water Reserve
 5 received by the Division of Water Infrastructure on or after that date.

6
 7 **AMEND SEPTIC TANK SITE SUITABILITY DETERMINATION PROCESS**

8 **SECTION 14.** G.S. 130A-335 is amended by adding a new subsection to read:

9 "(j) Notwithstanding any other provision of law, a local health department may determine
 10 site suitability for a ground absorption sewage treatment and disposal system under rules adopted
 11 by the Commission or pursuant to G.S. 130A-336.1 where all of the following are indicated:

- 12 (1) The system can be installed so that the effluent will be nonpathogenic,
 13 noninfectious, nontoxic, and nonhazardous.
 14 (2) The effluent will not contaminate groundwater or surface water.
 15 (3) The effluent will not be exposed on the ground surface or be discharged to
 16 surface waters where it could come into contact with people, animals, or
 17 vectors."

18
 19 **WATER/WASTEWATER PUBLIC ENTERPRISE REFORM**

20 **SECTION 15.(a)** G.S. 159G-20 reads as rewritten:

21 "**§ 159G-20. Definitions.**

22 The following definitions apply in this Chapter:

23 ...

- 24 (4a) Distressed unit. – A public water system or wastewater system operated by a
 25 local government unit exhibiting signs of failure to identify or address those
 26 financial or operating needs necessary to enable that system to become or to
 27 remain a local government unit generating sufficient revenues to adequately
 28 fund management and operations, personnel, appropriate levels of
 29 maintenance, and reinvestment that facilitate the provision of reliable water
 30 or wastewater services.

31 ...

- 32 (13) Local government unit. – Any of the following:
 33 a. A city as defined in G.S. 160A-1.
 34 b. A county.
 35 c. A consolidated city-county as defined in G.S. 160B-2.
 36 d. ~~A county water and sewer district created pursuant to Article 6 of~~
 37 ~~Chapter 162A of the General Statutes.~~Any of the following entities
 38 created pursuant to Chapter 162A of the General Statutes:
 39 1. A water and sewer authority created pursuant to Article 1.
 40 2. A metropolitan water district created pursuant to Article 4.
 41 3. A metropolitan sewerage district created pursuant to Article 5.
 42 4. A metropolitan water and sewerage district created pursuant to
 43 Article 5A.
 44 5. A county water and sewer district created pursuant to Article
 45 6.
 46 e. ~~A metropolitan sewerage district or a metropolitan water district~~
 47 ~~created pursuant to Article 4 of Chapter 162A of the General Statutes.~~
 48 f. ~~A water and sewer authority created under Article 1 of Chapter 162A~~
 49 ~~of the General Statutes.~~
 50 g. A sanitary district created pursuant to Part 2 of Article 2 of Chapter
 51 130A of the General Statutes.

- 1 h. A joint agency created pursuant to Part 1 or Part 5 of Article 20 of
 2 Chapter 160A of the General Statutes.
 3 i. A joint agency that was created by agreement between two cities and
 4 towns to operate an airport pursuant to G.S. 63-56 and that provided
 5 drinking water and wastewater services off the airport premises before
 6 1 January 1995.

7 ...

8 (22a) Viable Utility Reserve. – The Viable Utility Reserve established in
 9 G.S. 159G-22 as an account in the Water Infrastructure Fund.

10"

11 **SECTION 15.(b)** G.S. 159G-22 is amended by adding two new subsections to read:

12 "(h) Viable Utility Reserve. – The Viable Utility Reserve is established as an account
 13 within the Water Infrastructure Fund. The account is established to receive appropriated State
 14 funds to be used for grants to local government units for those purposes authorized under this
 15 Article. Revenue credited to the Viable Utility Reserve is neither received from the federal
 16 government nor provided as a match for federal funds.

17 (i) Viable Utility Accounts. – The Department is directed to establish accounts within
 18 the Viable Utility Reserve to administer grants for public water systems or wastewater systems
 19 owned by local government units."

20 **SECTION 15.(c)** G.S. 159G-30 reads as rewritten:

21 **"§ 159G-30. Department's responsibility.**

22 The Department, through the ~~Division of Water Infrastructure, Division,~~ administers loans
 23 the following:

- 24 (1) Loans and grants made from the CWSRF, the DWSRF, the Wastewater
 25 Reserve, and the Drinking Water Reserve and shall administer the Reserve.
 26 (2) The award of funds by the State Water Infrastructure Authority from the
 27 Community Development Block Grant program to local government units for
 28 infrastructure projects.
 29 (3) Grants made from the Viable Utility Reserve."

30 **SECTION 15.(d)** G.S. 159G-31 is amended by adding a new subsection to read:

31 "(d) A local government unit is eligible to apply for a grant from the Viable Utility
 32 Reserve."

33 **SECTION 15.(e)** G.S. 159G-32 is amended by adding a new subsection to read:

34 "(d) Viable Utility Reserve. – The Department is authorized to make grants from the
 35 Viable Utility Reserve to do any of the following:

- 36 (1) Provide physical interconnection and extension of public water or wastewater
 37 infrastructure to provide regional service.
 38 (2) Rehabilitate existing public water or wastewater infrastructure.
 39 (3) Decentralize an existing public water system or wastewater system into
 40 smaller viable parts.
 41 (4) Fund a study of any one or more of the following:
 42 a. Rates.
 43 b. Asset inventory and assessment.
 44 c. Merger and regionalization options.
 45 (5) Fund other options deemed feasible which result in local government units
 46 generating sufficient revenues to adequately fund management and
 47 operations, personnel, appropriate levels of maintenance, and reinvestment
 48 that facilitate the provision of reliable water or wastewater services."

49 **SECTION 15.(f)** Article 2 of Chapter 159G of the General Statutes is amended by
 50 adding a new section to read:

51 **"§ 159G-34.5. Grant types available from Viable Utility Reserve.**

1 (a) The Department is authorized to make the following types of grants from the Viable
2 Utility Reserve:

3 (1) Asset assessment and rate study grant. – An asset inventory and assessment
4 grant is available to inventory the existing public water or wastewater system,
5 or both, document the condition of the inventoried infrastructure, and conduct
6 a rate study to determine a rate structure sufficient to prevent the local
7 government unit from becoming a distressed unit.

8 (2) Merger/regionalization feasibility grant. – A merger/regionalization grant is
9 available to determine the feasibility of consolidating the management of
10 multiple water or wastewater systems into a single operation or to provide
11 regional treatment or water supply and the best way of carrying out the
12 consolidation or regionalization. The Department shall not make a grant under
13 this subdivision for a merger or regionalization proposal that would result in
14 a new surface water transfer regulated under G.S. 143-215.22L.

15 (3) Project grant. – A project grant is available for a portion of the costs of a public
16 water system or wastewater system project as defined in G.S. 159G-32(d).

17 (b) A grant awarded from the Viable Utility Reserve may be awarded to a regional
18 council of government created under Part 2 of Article 20 of Chapter 160A of the General Statutes
19 or to a regional planning commission created under Article 19 of Chapter 153A of the General
20 Statutes, if the Department and the Local Government Commission determine it is in the best
21 interest of the local government unit.

22 (c) Each type of grant must be administered through a separate account within the Viable
23 Utility Reserve."

24 **SECTION 15.(g)** G.S. 159G-35 reads as rewritten:

25 **"§ 159G-35. Criteria for loans and grants.**

26 (a) CWSRF and DWSRF. – Federal law determines the criteria for awarding a loan or
27 grant from the CWSRF or the DWSRF. An award of a loan or grant from one of these accounts
28 must meet the criteria set under federal law. The Department is directed to establish through
29 negotiation with the United States Environmental Protection Agency the criteria for evaluating
30 applications for loans and grants from the CWSRF and the DWSRF and the priority assigned to
31 the criteria. The Department must incorporate the negotiated criteria and priorities in the
32 Capitalization Grant Operating Agreement between the Department and the United States
33 Environmental Protection Agency. The criteria and priorities incorporated in the Agreement
34 apply to a loan or grant from the CWSRF or the DWSRF. The priority considerations in
35 G.S. 159G-23 do not apply to a loan or grant from the CWSRF or the DWSRF.

36 (b) Certain Reserves. – The priority considerations in G.S. 159G-23 apply to a loan or
37 grant from the Wastewater Reserve or the Drinking Water Reserve. The Department may
38 establish by rule other criteria that apply to a loan or grant from the Wastewater Reserve or the
39 Drinking Water Reserve.

40 (c) Viable Utility Reserve. – The Local Government Commission and the Authority shall
41 jointly develop evaluation criteria for grants from the Viable Utility Reserve. These evaluation
42 criteria shall be used to review applications and award grants as provided in G.S. 159G-39."

43 **SECTION 15.(h)** G.S. 159G-36 reads as rewritten:

44 **"§ 159G-36. Limits on loans and grants.**

45 (a) CWSRF and DWSRF. – Federal law governs loans and grants from the CWSRF and
46 the DWSRF. An award of a loan or grant from one of these accounts must be consistent with
47 federal law.

48 (b) Certain Reserve Cost Limit. – The amount of a loan or grant from the Wastewater
49 Reserve or the Drinking Water Reserve may not exceed the construction costs of a project. A
50 loan or grant from one of these Reserves is available only to the extent that other funding sources
51 are not reasonably available to the applicant.

1 (b1) Viable Utility Reserve Cost Limit. – The amount of a grant from the Viable Utility
2 Reserve shall not exceed the construction costs of a project. A grant from this Reserve is available
3 only to the extent that other funding sources are not reasonably available to the applicant.

4 (c) Certain Reserve Recipient Limit. – The following limits apply to the loan or grant
5 types made from the Wastewater Reserve or the Drinking Water Reserve to the same local
6 government unit or nonprofit water corporation:

7 (1) The amount of loans awarded for a fiscal year may not exceed three million
8 dollars (\$3,000,000).

9 (2) The amount of loans awarded for three consecutive fiscal years for targeted
10 interest rate projects may not exceed three million dollars (\$3,000,000).

11 (3) The amount of project grants awarded for three consecutive fiscal years may
12 not exceed three million dollars (\$3,000,000).

13 (4) The amount of merger/regionalization feasibility grants awarded for three
14 consecutive fiscal years may not exceed fifty thousand dollars (\$50,000).

15 (5) The amount of asset inventory and assessment grants awarded for three
16 consecutive fiscal years may not exceed one hundred fifty thousand dollars
17 (\$150,000).

18 (d) Viable Utility Reserve Recipient Limit. – Grants under the Viable Utility Reserve
19 shall not exceed fifteen million dollars (\$15,000,000) to any single local government unit. Where
20 two or more local government units are merging into a single utility, the total grant awarded shall
21 not exceed thirty million dollars (\$30,000,000)."

22 **SECTION 15.(i)** G.S. 159G-37 reads as rewritten:

23 **"§ 159G-37. Application to CWSRF, Wastewater Reserve, DWSRF, and Drinking Water**
24 **Reserve, Reserve, and Viable Utility Reserve.**

25 (a) Application. – An application for a loan or grant from the CWSRF, the Wastewater
26 Reserve, the DWSRF, or the Drinking Water ~~Reserve~~ Reserve, or a grant from the Viable Utility
27 Reserve, must be filed with the ~~Division of Water Infrastructure of the Department~~ Division. An
28 application must be submitted on a form prescribed by the Division and must contain the
29 information required by the Division. An applicant must submit to the Division any additional
30 information requested by the Division to enable the Division to make a determination on the
31 application. An application that does not contain information required on the application or
32 requested by the Division is incomplete and is not eligible for consideration. An applicant may
33 submit an application in as many categories as it is eligible for consideration under this Article.

34 (b) Certification. – The ~~Division of Water Infrastructure~~ shall require all local
35 governments applying for loans or grants for water or wastewater purposes to certify that no
36 funds received from water or wastewater utility operations have been transferred to the local
37 government's general fund for the purpose of supplementing the resources of the general fund.
38 The prohibition in this section shall not be interpreted to include payments made to the local
39 government to reimburse the general fund for expenses paid from that fund that are reasonably
40 allocable to the regular and ongoing operations of the utility, including, but not limited to, rent
41 and shared facility costs, engineering and design work, plan review, and shared personnel costs."

42 **SECTION 15.(j)** G.S. 159G-39 is amended by adding a new subsection to read:

43 "(e) Viable Utility Reserve Terms. – The Department shall not award a grant from the
44 Viable Utility Reserve Fund unless the Local Government Commission approves the award of
45 the grant and the terms of the grant. The Department and the Local Government Commission
46 may, in their discretion, impose specific performance measures or conditions on any grant
47 awarded from the Viable Utility Reserve."

48 **SECTION 15.(k)** Article 2 of Chapter 159G of the General Statutes is amended by
49 adding a new section to read:

50 **"§ 159G-45. Assessment of local government units; assistance.**

1 (a) The Authority and the Local Government Commission shall develop criteria to
2 determine how local government units should be assessed and reviewed in accordance with this
3 section, and these criteria shall address at least all of the following:

- 4 (1) Whether the public water or wastewater system serves less than 10,000
5 customers.
- 6 (2) Whether the public water or wastewater system has an established,
7 operational, and adequately funded program for its repair, maintenance, and
8 management.
- 9 (3) Whether the annual debt service is disproportionate to the public water or
10 wastewater system's annual revenue.
- 11 (4) Whether the local government unit has appropriated funds from its utility or
12 public service enterprise fund in accordance with G.S. 159-13(b)(14) in two
13 or more of the preceding five fiscal years without maintaining a reserve fund
14 sufficient to provide for operating expenses, capital outlay, and debt service.
- 15 (5) Whether the local government unit has appropriated funds to supplement the
16 operating expenses, capital outlay, or debt service on outstanding utility or
17 enterprise bonds or notes in excess of the user fees collected in two or more
18 of the preceding five fiscal years.

19 (b) Utilizing the assessment and review process, the Authority and Local Government
20 Commission shall identify distressed units. Each distressed unit identified under this subsection
21 shall do all of the following:

- 22 (1) Conduct an asset assessment and rate study, as directed and approved by the
23 Authority and the Local Government Commission.
- 24 (2) Participate in a training and educational program approved by the Authority
25 and the Local Government Commission for that distressed unit. Attendance
26 shall be mandatory for any governing board members and staff whose
27 participation is required by the Authority and Local Government Commission.
28 The scope of training and education, and its method of delivery, shall be at the
29 discretion of the Authority and Local Government Commission.
- 30 (3) Develop an action plan, taking into consideration all of the following:
 - 31 a. A short-term and a long-term plan for infrastructure repair,
32 maintenance, and management.
 - 33 b. Continuing education of the governing board and system operating
34 staff.
 - 35 c. Long-term financial management to ensure the public water system or
36 wastewater system will generate sufficient revenue to adequately fund
37 management and operations, personnel, appropriate levels of
38 maintenance, and reinvestment that facilitate the provision of reliable
39 water or wastewater services.
 - 40 d. Any other matters identified by the Authority or the Local Government
41 Commission.

42 (c) Once an identified distressed unit has completed all of the requirements of subsection
43 (b) of this section, that unit shall no longer be identified as a distressed unit for the remainder of
44 that assessment and review cycle.

45 (d) The Authority and the Local Government Commission shall establish the frequency
46 of the cycle for assessment and review of local government units under this section, which shall
47 be no less than every two years."

48 **SECTION 15.(l)** Chapter 162A of the General Statutes is amended by adding a new
49 Article to read:

50 "Article 10.
51 "Dissolution and Merger of Units.

"§ 162A-850. "Unit" defined.

For purposes of this Article, the term "unit" means any of the following entities created pursuant to this Chapter:

- (1) A water and sewer authority created pursuant to Article 1.
- (2) A metropolitan water district created pursuant to Article 4.
- (3) A metropolitan sewerage district created pursuant to Article 5.
- (4) A metropolitan water and sewerage district created pursuant to Article 5A.
- (5) A county water and sewer district created pursuant to Article 6.

"§ 162A-855. Information needed to merge or dissolve.

(a) Prior to any action by the Environmental Management Commission under this Article, for any unit to merge or dissolve, all of the following information must be supplied to the Environmental Management Commission:

- (1) The name of the unit or units to be merged or dissolved.
- (2) The names of the district board members of the unit or units to be merged or dissolved.
- (3) The proposed date of the merger or dissolution.
- (4) A map or description of the jurisdiction of the unit or units to be merged or dissolved.
- (5) The name of the entity with whom the unit or units will be merged, if applicable.
- (6) The names of the governing board members or district board members of the entity with which the unit is proposed to be merged, if applicable.
- (7) A map or description of the jurisdiction of the entity with which the unit is proposed to be merged.
- (8) Resolutions adopted by each district board or governing board requesting the merger or dissolution.
- (9) A request from each chair of a district board requesting a merger or dissolution that a representative of the Environmental Management Commission hold a public hearing in that district to discuss the proposed merger or dissolution and to receive public comment. The date, time, and place of the public hearing shall be mutually agreed to by the chair of the Environmental Management Commission and the chair of each requesting district board.
- (10) A copy of the most recent audit performed in accordance with G.S. 159-34 for the unit to be merged or dissolved.
- (11) A copy of any permits issued by the Department of Environmental Quality to the unit or units to be merged or dissolved.
- (12) A copy of any grant awarded under Article 2 of this Chapter involving the unit or units to be merged or dissolved and any conditions thereof, if applicable.
- (13) Any other information deemed necessary by the Department of Environmental Quality, the Local Government Commission, or the Environmental Management Commission.

(b) Upon receipt of a request to dissolve or merge, the Environmental Management Commission shall provide a copy of all information submitted in accordance with this section to the Department of Environmental Quality and the Local Government Commission.

(c) Upon confirmation of the time and place of the public hearing, each district board of an affected unit and any other governing board affected shall do all of the following:

- (1) Cause notice of the public hearing to be posted, at least 30 days prior to the hearing, at the courthouse in any county within which the affected unit lies.
- (2) Publish the notice at least once a week for four successive weeks in a newspaper having general circulation in the affected unit, the first publication to be at least 30 days prior to the public hearing.

1 (3) Publish notice in any other manner required by the Environmental
2 Management Commission.

3 **"§ 162A-860. Merger of units.**

4 (a) Any unit may merge with any other unit, any county, any city, any consolidated
5 city-county, any sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the
6 General Statutes, any joint agency created pursuant to Part 1 or Part 5 of Article 20 of Chapter
7 160A of the General Statutes, or any joint agency that was created by agreement between two
8 cities and towns to operate an airport pursuant to G.S. 63-56 and that provided drinking water
9 and wastewater services off the airport premises before January 1, 1995, if the merger is a
10 condition of receiving a grant from the Viable Utility Reserve as provided in Article 2 of Chapter
11 159G of the General Statutes. The Environmental Management Commission shall adopt a
12 resolution transferring the assets, liabilities, and other obligations to the entity with which the
13 unit is being merged and dissolving the unit as provided for in this Article.

14 (b) Any unit may merge with any other unit, any county, any city, any consolidated
15 city-county, any sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the
16 General Statutes, any joint agency created pursuant to Part 1 or Part 5 of Article 20 of Chapter
17 160A of the General Statutes, or any joint agency that was created by agreement between two
18 cities and towns to operate an airport pursuant to G.S. 63-56 and that provided drinking water
19 and wastewater services off the airport premises before January 1, 1995, on approval by the
20 Environmental Management Commission, upon consultation with the Department of
21 Environmental Quality and the Local Government Commission. The Environmental
22 Management Commission may adopt a resolution transferring the assets, liabilities, and other
23 obligations to the entity with which the unit is being merged and dissolving the unit as provided
24 for in this Article, if the Environmental Management Commission deems the merger in the best
25 interest of the people of the State.

26 (c) The Environmental Management Commission shall adopt a resolution dissolving a
27 unit and transferring the assets, liabilities, and other obligations of the unit to another unit when
28 the procedures set forth in G.S. 162A-855 have been completed and all of the following apply:

29 (1) Both units are created pursuant to Article 5 of this Chapter.

30 (2) Both units are located in the same county.

31 (3) The jurisdiction of the units is contiguous.

32 (4) The unit to be merged and dissolved does not directly provide sewerage
33 services to any customers.

34 (5) The unit to be merged and dissolved leases its assets to the unit with which it
35 is proposed to be merged.

36 (6) The unit to be merged and dissolved has no outstanding debts.

37 **"§ 162A-865. Dissolution of units.**

38 (a) Any unit may be dissolved if the dissolution is a condition of a grant from the Viable
39 Utility Reserve as provided in Article 2 of Chapter 159G of the General Statutes. The
40 Environmental Management Commission shall adopt a resolution transferring the assets,
41 liabilities, and other obligations as provided for in the grant conditions imposed under Article 2
42 of Chapter 159G of the General Statutes.

43 (b) Any unit may be dissolved in order to merge that unit with any other unit, any county,
44 any city, any consolidated city-county, any sanitary district created pursuant to Part 2 of Article
45 2 of Chapter 130A of the General Statutes, any joint agency created pursuant to Part 1 or Part 5
46 of Article 20 of Chapter 160A of the General Statutes, or any joint agency that was created by
47 agreement between two cities and towns to operate an airport pursuant to G.S. 63-56 and that
48 provided drinking water and wastewater services off the airport premises before January 1, 1995,
49 and establish a new entity created under the General Statutes, on approval by the Environmental
50 Management Commission, upon consultation with the Department of Environmental Quality and
51 the Local Government Commission. The Environmental Management Commission may adopt a

1 resolution transferring the assets, liabilities, and other obligations to the new entity and dissolving
2 the unit as provided for in this Article, if the Environmental Management Commission deems the
3 merger in the best interest of the people of the State.

4 **"§ 162A-870. Effective date of merger or dissolution.**

5 Upon the adoption of a resolution of merger or dissolution by the Environmental
6 Management Commission as provided in this Article, the effective date for merger and
7 dissolution shall be fixed as of June 30 following the adoption of the resolution or the second
8 June 30 following the adoption of the resolution.

9 **"§ 162A-875. Effect of merger or dissolution.**

10 (a) Upon adoption of the resolution of merger or dissolution by the Environmental
11 Management Commission, all of the following shall apply on the effective date set forth in the
12 resolution:

- 13 (1) All property, real, personal, and mixed, including accounts receivable,
14 belonging to the dissolving unit shall be transferred, disposed of, or otherwise
15 accounted for as provided in the resolution of merger or dissolution.
- 16 (2) All judgments, liens, rights of liens, and causes of action of any nature in favor
17 of the dissolving unit shall vest in and remain and inure to the benefit of the
18 merged district.
- 19 (3) All taxes, assessments, sewer charges, and any other debts, charges, or fees
20 owing to the dissolving unit shall be owed to and collected as provided in the
21 resolution of merger or dissolution.
- 22 (4) All actions, suits, and proceedings pending against, or having been instituted
23 by, the dissolving unit shall not be abated by merger, but all such actions,
24 suits, and proceedings shall be continued and completed in the same manner
25 as if merger had not occurred, and the merged entity shall be a party to all
26 such actions, suits, and proceedings in the place and stead of the dissolving
27 unit and shall pay or cause to be paid any judgments rendered against the
28 dissolving unit in any such actions, suits, or proceedings. No new process is
29 required to be served in any such action, suit, or proceeding.
- 30 (5) All obligations of the dissolving unit, including outstanding indebtedness,
31 shall be assumed as provided in the resolution of merger or dissolution, and
32 all such obligations and outstanding indebtedness shall constitute obligations
33 and indebtedness as provided in the resolution of merger or dissolution.
- 34 (6) All ordinances, rules, regulations, and policies of the dissolving unit shall
35 continue in full force and effect until repealed or amended by the governing
36 body of the merged entity.
- 37 (7) The dissolving unit shall be abolished and shall no longer be constituted a
38 public body or a body politic and corporate, except for purposes of carrying
39 into effect the provisions and intent of this section.
- 40 (8) Governance of the district shall be as specified in the resolution of merger or
41 dissolution, which may be amended by the Environmental Management
42 Commission, as needed.

43 (b) All governing boards and district boards are authorized to take the actions and execute
44 the documents necessary to effectuate the provisions and intent of this section."

45 **SECTION 15.(m)** Article 20 of Chapter 160A of the General Statutes is amended
46 by adding a new Part to read:

47 "Part 5. Water and Wastewater Systems.

48 **"§ 160A-481.1. Definitions.**

49 The words defined in this section shall have the meanings indicated when used in this Part:

- 50 (1) Local government unit. – Defined in G.S. 159G-20.
- 51 (2) Undertaking. – Defined in G.S. 160A-460.

1 (3) Unit of local government. – Defined in G.S. 160A-460.

2 "**§ 160A-481.2. Interlocal cooperation authorized.**

3 Interlocal cooperation, as provided in Part 1 of this Article, is authorized between any local
4 government unit and any other unit of local government in this State for any purpose. When two
5 or more local government units agree to contract for one or more undertakings under this Part,
6 the provisions of Part 1 of this Article apply."

7 **SECTION 15.(n)** The Department of Environmental Quality shall study the statutes
8 and rules governing subbasin transfers and make recommendations as to whether the statutes and
9 rules should be amended. The study shall specifically examine whether transfers of water
10 between subbasins within the same major river basin should continue to be required to comply
11 with all of the same requirements under G.S. 143-215.22L as transfers of water between major
12 river basins. In conducting this study, the Department shall consider whether the costs of
13 complying with specific requirements, including financial costs and time, are justified by the
14 benefits of the requirements, including the production of useful information and public notice
15 and involvement. No later than October 1, 2019, the Department of Environmental Quality shall
16 report its findings and recommendations to the Environmental Review Commission.

17 **SECTION 15.(o)** The Department of State Treasurer shall study and make
18 recommendations as to the feasibility of authorizing historical charters for units of local
19 government that have become, or are on the brink of becoming, defunct. The study shall
20 specifically examine whether these historical charters are needed, the impact of these charters on
21 the bond rating of the State and its political subdivisions, and the consequences of these historical
22 charters. No later than March 1, 2020, the Department of State Treasurer shall report its findings
23 and recommendations to the General Assembly.

24 **SECTION 15.(p)** Subsections (a) through (m) of this section become effective
25 October 1, 2019. The remainder of this section is effective when it becomes law.

26
27 **PART III. MISCELLANEOUS REGULATORY REFORM PROVISIONS**

28
29 **ARCHITECTURAL LICENSE EXCEPTION FOR SMALL PROJECTS**

30 **SECTION 16.** G.S. 83A-13 reads as rewritten:

31 "**§ 83A-13. Exemptions.**

32 ...

33 (c) Nothing in this Chapter shall be construed to require an architectural license for the
34 preparation, sale, or furnishing of plans, specifications and related data, or for the supervision of
35 construction pursuant thereto, where the building, buildings, or project involved is in one of the
36 following categories:

37 ...

38 (3) An institutional or commercial building if it does not have a total value
39 exceeding ~~ninety thousand dollars (\$90,000);~~ two hundred thousand dollars
40 (\$200,000);

41 (4) An institutional or commercial building if the total building area does not
42 exceed ~~2,500~~ 3,000 square feet in gross floor area;

43 ...

44 (c1) Notwithstanding subdivisions (c)(3) and (4) of this section, a commercial building
45 project with a total value of less than ~~ninety thousand dollars (\$90,000)~~ two hundred thousand
46 dollars (\$200,000) and a total project area of less than ~~2,500~~ 3,000 square feet shall be exempt
47 from the requirement for a professional architectural seal.

48"

49
50 **REVENUE LAWS STUDY**

1 **SECTION 17.** The Department of Revenue shall provide to the Revenue Laws Study
2 Committee information related to the property taxation of outdoor advertising signs. The
3 information must include a review of the methods used to determine the fair market value of
4 outdoor advertising signs in North Carolina, whether the Billboard Structures Valuation Guide
5 published by the North Carolina Department of Revenue provides an accurate representation of
6 the base costs for outdoor advertising structures in North Carolina, whether the Department
7 should use data on actual costs attributed to structures constructed in North Carolina, the practices
8 in other states, and any other issues the Department deems relevant.

9 The Department shall provide the requested information to the Committee no later
10 than March 31, 2020.

11 12 **BROADBAND EASEMENTS**

13 **SECTION 18.** G.S. 117-28.1 reads as rewritten:

14 "**§ 117-28.1. Electric membership corporations; easements.**

15 (a) Any easement owned, held, or otherwise used by an electric membership corporation
16 for the purpose of electrification, as stated in G.S. 117-10 may also be used by the corporation,
17 or its wholly owned subsidiary, for the ancillary purpose of supplying high-speed broadband
18 service, where such use does not require additional construction and is ancillary to the
19 electrification purposes for which broadband fiber is or was installed. Nothing in this subsection
20 shall affect, abrogate, or eliminate in any way any obligation of the corporation or its wholly
21 owned subsidiary to comply with any applicable requirements related to notice, safety, or
22 permitting when constructing or maintaining lines or broadband fiber on, over, under, or across
23 property owned or operated by a railroad company.

24 "

25 26 **MANUFACTURED HOMES INSTALLATION**

27 **SECTION 19.(a)** G.S. 160A-383.1 is amended by adding a new subsection to read:

28 "(g) A city may require by ordinance that manufactured homes be installed in accordance
29 with the Set-Up and Installation Standards adopted by the Commissioner of Insurance; provided,
30 however, a city shall not require a masonry curtain wall or masonry skirting for manufactured
31 homes located on land leased to the homeowner."

32 **SECTION 19.(b)** This section is effective October 1, 2019.

33 34 **LIMITED REGISTRATION PLATES/FINE COLLECTION**

35 **SECTION 20.(a)** G.S. 20-54 reads as rewritten:

36 "**§ 20-54. Authority for refusing registration or certificate of title.**

37 The Division shall refuse registration or issuance of a certificate of title or any transfer of
38 registration upon any of the following grounds:

39 ...

40 (6) The vehicle is not in compliance with the inspection requirements of Part 2 of
41 Article 3A of this Chapter or a civil penalty assessed as a result of the failure
42 of the vehicle to comply with that Part has not been paid. Notwithstanding this
43 subdivision, a dealer licensed under Article 12 of this Chapter may, on behalf
44 of a person purchasing a vehicle, obtain a limited registration plate pursuant
45 to G.S. 20-79.1A.

46 ...

47 (10) The North Carolina Turnpike Authority has notified the Division that the
48 owner of the vehicle has not paid the amount of tolls, fees, and civil penalties
49 the owner owes the Authority for use of a Turnpike project. Notwithstanding
50 this subdivision, a dealer licensed under Article 12 of this Chapter may, on

1 behalf of a person purchasing a vehicle, obtain a limited registration plate
2 pursuant to G.S. 20-79.1A.

3 (11) The Division has been notified (i) pursuant to G.S. 20-217(g2) that the owner
4 of the vehicle has failed to pay any fine imposed pursuant to G.S. 20-217 or
5 (ii) pursuant to G.S. 153A-246(b)(14) that the owner of the vehicle has failed
6 to pay a civil penalty due under G.S. 153A-246. Notwithstanding this
7 subdivision, a dealer licensed under Article 12 of this Chapter may, on behalf
8 of a person purchasing a vehicle, obtain a limited registration plate pursuant
9 to G.S. 20-79.1A.

10 (12) The owner of the vehicle has failed to pay any penalty or fee imposed pursuant
11 to G.S. 20-311. Notwithstanding this subdivision, a dealer licensed under
12 Article 12 of this Chapter may, on behalf of a person purchasing a vehicle,
13 obtain a limited registration plate pursuant to G.S. 20-79.1A.

14 (13) The Division has been notified by the State Highway Patrol that the owner of
15 the vehicle has failed to pay any civil penalty and fees imposed by the State
16 Highway Patrol for a violation of Part 9 of Article 3 of this Chapter.
17 Notwithstanding this subdivision, a dealer licensed under Article 12 of this
18 Chapter may, on behalf of a person purchasing a vehicle, obtain a limited
19 registration plate pursuant to G.S. 20-79.1A."

20 **SECTION 20.(b)** G.S. 20-79.1A(a)(1) reads as rewritten:

21 "(a) Eligibility. – A limited registration plate is issuable to any of the following:

22 (1) A person who applies, either directly or through a dealer licensed under
23 Article 12 of this Chapter, for a title to a motor vehicle and a registration plate
24 for the vehicle and who submits payment for the applicable title and
25 registration fees but does not submit payment for any municipal corporation
26 property taxes on the vehicle. A person who submits payment for municipal
27 corporation property taxes receives an annual registration plate. A dealer shall
28 notify the person purchasing a vehicle of any outstanding civil penalties, fees,
29 tolls, and obligations owed that are of record and that are known by the dealer
30 at the time the dealer applies for a title to a motor vehicle and a registration
31 plate for the vehicle under this section."

32 **SECTION 20.(c)** This section is effective when it becomes law.
33

34 VOTING SYSTEMS PERFORMANCE BOND

35 **SECTION 21.(a)** G.S. 163A-1115 reads as rewritten:

36 "**§ 163A-1115. Voting systems: powers and duties of State Board.**

37 (a) **(Effective until December 1, 2019, for certain counties – see note)** Only voting
38 systems that have been certified by the State Board in accordance with the procedures set forth
39 by the State Board and subject to the standards set forth in this section and that have not been
40 subsequently decertified shall be permitted for use in elections in this State. Those certified
41 voting systems shall be valid in any election held in the State or in any county, municipality, or
42 other electoral district in the State. Subject to all other applicable rules adopted by the State Board
43 and, with respect to federal elections, subject to all applicable federal regulations governing
44 voting systems, paper ballots marked by the voter and counted by hand shall be deemed a
45 certified voting system. The State Board shall certify optical scan voting systems, optical scan
46 with ballot markers voting systems, and direct record electronic voting systems if any of those
47 systems meet all applicable requirements of federal and State law. The State Board may certify
48 voting systems only if they meet the requirements set forth in this ~~section~~ section, the
49 performance bond or letter of credit required by subdivision (1) of this subsection has been
50 posted, and only if they generate either a paper ballot or a paper record by which voters may
51 verify their votes before casting them and which provides a backup means of counting the vote

1 that the voter casts. Those voting systems may include optical scan and direct record electronic
 2 (DRE) voting systems. Among other requirements as set by the State Board, the certification
 3 requirements shall require at least all of the following elements:

- 4 (1) That the vendor post a performance bond or letter of credit to cover damages
 5 resulting from defects in the voting system, expenses associated with State or
 6 federal decertification of the voting system, and to protect against the vendor's
 7 insolvency or financial inability to make State or federally mandated
 8 modifications or updates to the voting system. Damages may include, among
 9 other items, any costs of conducting a new county or statewide election
 10 attributable to those defects. The bond or letter of credit shall be maintained
 11 in the amount determined by the State Board as sufficient for the cost of a new
 12 statewide election or in the amount of ten million dollars (\$10,000,000),
 13 whichever is greater.

14 ...

15 (a) **(Effective June 20, 2018, as to certain counties, and December 1, 2019, as to all**
 16 **other counties – see note)** Only voting systems that have been certified by the State Board in
 17 accordance with the procedures set forth by the State Board and subject to the standards set forth
 18 in this section and that have not been subsequently decertified shall be permitted for use in
 19 elections in this State. Those certified voting systems shall be valid in any election held in the
 20 State or in any county, municipality, or other electoral district in the State. Subject to all other
 21 applicable rules adopted by the State Board and, with respect to federal elections, subject to all
 22 applicable federal regulations governing voting systems, paper ballots marked by the voter and
 23 counted by hand shall be deemed a certified voting system. The State Board shall certify optical
 24 scan voting systems, optical scan with ballot markers voting systems, and direct record electronic
 25 voting systems if any of those systems meet all applicable requirements of federal and State law.
 26 The State Board may certify voting systems only if they meet the requirements set forth in this
 27 section-section, the performance bond or letter of credit required by this subdivision (1) of this
 28 subsection has been posted, and only if they generate a paper ballot which provides a backup
 29 means of counting the vote that the voter casts. Those voting systems may include optical scan
 30 and direct record electronic (DRE) voting systems that produce a paper ballot. Among other
 31 requirements as set by the State Board, the certification requirements shall require at least all of
 32 the following elements:

- 33 (1) That the vendor post a performance bond or letter of credit to cover damages
 34 resulting from defects in the voting system, expenses associated with State or
 35 federal decertification of the voting system, and to protect against the vendor's
 36 insolvency or financial inability to make State or federally mandated
 37 modifications or updates to the voting system. Damages may include, among
 38 other items, any costs of conducting a new county or statewide election
 39 attributable to those defects. The bond or letter of credit shall be maintained
 40 in the amount determined by the State Board as sufficient for the cost of a new
 41 statewide election or in the amount of ten million dollars (\$10,000,000),
 42 whichever is greater.

43"

44 **SECTION 21.(b)** This section becomes effective January 1, 2020.

45 **SALE OF SALVAGED VEHICLES**

46 **SECTION 22.(a)** G.S. 20-183.4C(a) reads as rewritten:

47 "(a) Inspection. – A vehicle that is subject to a safety inspection, an emissions inspection,
 48 or both must be inspected as follows:

49 ...
 50

- 1 (2) A-Except as otherwise provided in this subdivision, a used vehicle must be
2 inspected before it is offered for sale at retail in this State by a dealer. Upon
3 purchase, a receipt approved by the Division must be provided to the new
4 owner certifying compliance. A dealer may sell, without a safety inspection,
5 a used vehicle issued a salvage certificate of title in accordance with the
6 provisions of this Chapter if (i) no alterations or repairs have been made to the
7 vehicle after issuance of the salvage certificate of title and after sale of the
8 vehicle and (ii) the dealer discloses in writing on a form approved by the
9 Division that no safety inspection has been performed by the dealer.

10"

11 **SECTION 22.(b)** This section becomes effective March 1, 2020, and applies to used
12 vehicles sold on or after that date.

13 **SALVAGE TITLE STUDY**

14 **SECTION 23.(a)** The Division of Motor Vehicles shall, in consultation with the
15 Department of Insurance and interested parties, study whether the laws governing the title,
16 registration, and branding of salvage vehicles need to be revised to protect consumers from
17 vehicles that appear safe, which are actually unsafe because of flood damage or other severe
18 damage that makes a vehicle unsafe, but is concealed from the consumer. The study will include
19 the economic impact to the consumer of any proposed change in law recommended by the
20 Division. As part of the study, the Division shall consider any other issues determined to be
21 relevant to the title and registration of salvage vehicles.

22 **SECTION 23.(b)** No later than March 1, 2020, the Division of Motor Vehicles shall
23 report its findings, including any recommendations for legislation, to the chairs of the Joint
24 Legislative Transportation Oversight Committee, the House of Representatives Appropriations
25 Committee on Transportation, the Senate Appropriations Committee on the Department of
26 Transportation, and the Fiscal Research Division.

27 **SECTION 23.(c)** This section is effective when it becomes law.
28
29

30 **ABC PERMITS AT CERTAIN STADIUMS**

31 **SECTION 24.(a)** G.S. 18B-1006(a) reads as rewritten:

32 "(a) School and College Campuses. – No permit for the sale of alcoholic beverages shall
33 be issued to a business on the campus or property of a public school, college, or university. This
34 subsection shall not apply to the following:

35 ...

- 36 (7) The sale of malt beverages, unfortified wine, or fortified wine at the following:
37 a. Performing arts centers located on property owned or leased by the
38 public college or university.
39 b. Any stadiums that support a NASCAR-sanctioned one-fourth mile
40 asphalt flat oval short track, that are owned or leased by the public
41 college or university, and that only sell malt beverages, unfortified
42 wine, or fortified wine at events that are not sponsored or funded by
43 the public college or university.
44 c. Any stadiums with a permanently constructed seating capacity of
45 2,000 or more, leased for a year or more to a for-profit corporation
46 registered in the State, if (i) the permittee only sells malt beverages,
47 unfortified wine, or fortified wine at events that are not sponsored or
48 funded by the public college or university and (ii) the Board of
49 Trustees of the public college or university has voted to allow the
50 issuance of permits for use at that stadium. If a Board of Trustees votes
51 to allow the issuance of permits in accordance with this subdivision,

1 the Board of Trustees shall provide written notice to the Commission
2 that it has voted to allow the issuance of permits.

3 "

4 **SECTION 24.(b)** This section becomes effective April 9, 2019, and applies to
5 permits issued or active on or after that date.

6 7 **DIVISION OF EMERGENCY MANAGEMENT STUDY**

8 **SECTION 25.(a)** Study. – The Division of Emergency Management of the
9 Department of Public Safety shall study the needs of law enforcement, emergency medical and
10 emergency management personnel, and firefighters to improve access to or within the interstate
11 system of this State for the benefit of public safety. In conducting the study, the Division may
12 consult with the Department of Transportation, the Office of State Fire Marshal of the
13 Department of Insurance, the Office of Emergency Medical Services of the Department of Health
14 and Human Services, and any other State or local government organizations the Division
15 determines may be of assistance in the course of the study. In performing the study, the Division
16 shall, at a minimum, take the following steps:

- 17 (1) Consult with county fire marshal divisions, emergency management offices,
18 and emergency medical service divisions to determine potential sites of
19 interest for construction or improvement relevant to the study.
- 20 (2) Establish criteria to prioritize sites of interest for either construction or
21 improvement.
- 22 (3) Review applicable federal and State laws, codes, standards, and studies
23 relevant to the study.
- 24 (4) Review (i) existing Department of Transportation planning, design, and
25 construction standards for interchanges, median crossovers, and access points
26 and (ii) how those standards consider the needs of law enforcement,
27 emergency medical and emergency management personnel, and firefighters.
- 28 (5) Consider the feasibility of providing opportunities for stakeholder input
29 during the planning of future interstate improvements that focus on the needs
30 of law enforcement, emergency medical and emergency management
31 personnel, and firefighters.
- 32 (6) Examine any other matters the Division deems relevant in the course of the
33 study.

34 **SECTION 25.(b)** Report. – The Division shall report the findings and
35 recommendations, including any legislative proposals, to the Joint Legislative Oversight
36 Committee on Justice and Public Safety, the Joint Legislative Emergency Management Oversight
37 Committee, and the Joint Legislative Transportation Oversight Committee no later than March
38 1, 2022.

39 40 **NORTH CAROLINA BOARD OF ARCHITECTURE MODIFICATIONS**

41 **SECTION 26.(a)** G.S. 83A-2 reads as rewritten:

42 **"§ 83A-2. North Carolina Board of Architecture; creation; appointment, terms and oath**
43 **of members; vacancies; officers; bond of treasurer; notice of meetings; quorum.**

44 (a) The North Carolina Board of Architecture shall have the power and responsibility to
45 administer the provisions of this Chapter in compliance with the Administrative Procedure Act.

46 (b) The Board shall consist of seven members appointed by the Governor. Five of the
47 members of the Board shall be licensed architects appointed for five year terms; the terms shall
48 be staggered so that the term of one architect member expires each year. No architect member
49 shall be eligible to serve more than two consecutive terms; if a vacancy occurs during a term, the
50 Governor shall appoint a person to fill the vacancy for the remainder of the unexpired term. Two
51 of the members of the Board shall be persons who are not licensed architects and who represent

1 the interest of the public at ~~large; the Governor shall appoint these members not later than July~~
2 ~~1, 1979.~~ large. The public members shall have full voting powers and shall serve at the pleasure
3 of the Governor. Each Board member shall file with the Secretary of State an oath faithfully to
4 perform duties as a member of the Board, and to uphold the Constitution of North Carolina and
5 the Constitution of the United States.

6 (c) Officers of the Board shall include a president, vice-president, secretary and treasurer
7 elected at the annual meeting for terms of one year. The treasurer shall give bond in such sum as
8 the Board shall determine, with such security as shall be approved by the Board, said bond to be
9 conditioned for the faithful performance of the duties of his office and for the faithful accounting
10 of all moneys and other property as shall come into his hands. Notice of the annual meeting, and
11 the time and place of the annual meeting shall be given each member by letter at least 10 days
12 prior to such meeting and public notice of annual meetings shall be published at least ~~once each~~
13 ~~week~~ for two weeks preceding such meetings ~~in one or more newspapers of general circulation~~
14 ~~in this State.~~ on the Web site of the Board. A majority of the members of the Board shall constitute
15 a quorum."

16 **SECTION 26.(b)** G.S. 83A-5 reads as rewritten:

17 **"§ 83A-5. Board records; rosters; seal.**

18 (a) The Board shall maintain records of board meetings, of applications for individual or
19 corporate registration and the action taken thereon, of the results of examinations, of all
20 disciplinary proceedings, and of such other information as deemed necessary by the Board or
21 required by the Administrative Procedure Act or other provisions of the General Statutes.

22 (b) A complete roster showing the name and last known address of all resident and
23 nonresident architects and architectural firms holding current licenses from the Board shall be
24 maintained and published by the Board at least once each year. Board, and shall include each
25 registrant's authorization or registration number. Copies of the roster shall be filed with the
26 Secretary of State and the Attorney ~~General, and other applicable State or local agencies, and~~
27 ~~upon request, may be distributed or sold to the public.~~ General, and may be made available on the
28 Web site of the Board.

29 (c) The Board shall adopt a seal containing the name of the Board for use on its official
30 records and reports."

31 **SECTION 26.(c)** G.S. 83A-7 reads as rewritten:

32 **"§ 83A-7. Qualifications and examination requirements.**

33 (a) Licensing by Examination. – Any individual who is at least 18 years of age and of
34 good moral character may make written application for examination by completion of a form
35 prescribed by the Board accompanied by the required application fee. Subject to qualification
36 requirements of this section, the applicant shall be entitled to an examination to determine ~~his~~
37 qualifications for licensure.

38 (1) The qualification requirements for ~~registration licensure by examination~~ as a
39 duly licensed architect shall ~~be~~ be all of the following:

- 40 a. ~~Professional education and at least three years practical~~ Practical
41 training and experience as specified by rules of the Board.
- 42 b. The successful completion of a licensure examination in architecture
43 as specified by the rules of the Board.
- 44 c. The successful completion of an accredited master's or bachelor's
45 degree in architecture as specified by the rules of the Board.

46 (2) The Board shall adopt rules to set requirements for professional education,
47 practical training and experience, and examination which must be met by
48 applicants for licensure and which may be based on the published guidelines
49 of nationally recognized councils or agencies for the accreditation,
50 examination, and licensing for the architectural profession.

1 (b) Licensing by Reciprocity. – Any individual holding a current license for the practice
2 of architecture from another state or territory, and holding a ~~certificate of qualification certified~~
3 record issued by the National Council of Architectural Registration Boards, NCARB, may upon
4 application and within the discretion of the Board be licensed without written examination. The
5 Board ~~may~~ may, in its discretion, waive the requirement for National Council of Architectural
6 Registration Boards (NCARB) registration certified record if the qualifications, examination and
7 licensing requirements of the state in which the applicant is licensed are substantially equivalent
8 to those of this State and the applicant otherwise meets the requirements of this Chapter."

9 **SECTION 26.(d)** G.S. 83A-11 reads as rewritten:

10 **"§ 83A-11. Expirations and renewals.**

11 Certificates must be renewed on or before the first day of July in each year. No less than 30
12 days prior to the renewal date, a renewal application shall be ~~mailed-transmitted~~
13 individual and corporate licensee. The completed application together with the required renewal
14 fee shall be returned to the Board on or before the renewal date. When the Board is satisfied as
15 to the continuing competency of an architect, it shall issue a renewal of the certificate. Upon
16 failure to renew within 30 days after the date set for expiration, the license shall be automatically
17 revoked but such license may be renewed at any time within one year following the expiration
18 date upon proof of continuing competency and payment of the renewal fee plus a late renewal
19 fee. After one year from the date of revocation, reinstatement may be made by the Board, or in
20 its discretion, the application may be treated as new subject to reexamination and qualification
21 requirements as in the case of new applications."
22

23 **ALLOW CERTAIN USES OF FLOOD HAZARD AREAS WITH NO-RISE**
24 **CERTIFICATIONS**

25 **SECTION 27.** G.S. 143-215.54 reads as rewritten:

26 **"§ 143-215.54. Regulation of flood hazard areas; prohibited uses.**

27 (a) A local government may adopt ordinances to regulate uses in flood hazard areas and
28 grant permits for the use of flood hazard areas that are consistent with the requirements of this
29 Part.

30 (b) The following uses may be made of flood hazard areas without a permit issued under
31 this Part, provided that these uses comply with local land-use ordinances and any other applicable
32 laws or regulations:

- 33 (1) General farming, pasture, outdoor plant nurseries, horticulture, forestry,
34 mining, wildlife sanctuary, game farm, aquaculture, and other similar
35 agricultural, wildlife and related ~~uses;uses.~~
- 36 (2) Ground level loading areas, parking areas, rotary aircraft ports and other
37 similar ground level area ~~uses;uses.~~
- 38 (3) Lawns, gardens, play areas and other similar ~~uses;uses.~~
- 39 (4) Golf courses, tennis courts, driving ranges, archery ranges, picnic grounds,
40 parks, hiking or horseback riding trails, open space and other similar private
41 and public recreational uses.
- 42 (5) Land application of waste at agronomic rates consistent with a permit issued
43 under Part 1 or Part 1A of Article 21 of Chapter 143 of the General Statutes
44 or an approved animal waste management plan.
- 45 (6) Land application of septage consistent with a permit issued under
46 G.S. 130A-291.1.

47 (b1) A local government may not prohibit a use allowed under subsection (b) of this
48 section in a flood hazard area if it has been demonstrated through hydrologic and hydraulic
49 analyses performed in accordance with standard engineering practice that the proposed use will
50 not result in any increase in flood levels as documented by a No-Rise Certification signed by a
51 registered professional engineer, which must be submitted to the local government by the person

1 proposing the use. A local government is authorized to charge a fee in an amount not to exceed
2 one hundred dollars (\$100.00) in order to evaluate compliance of such a use with the terms of
3 this subsection.

4 (c) New solid waste disposal facilities, hazardous waste management facilities, salvage
5 yards, and chemical storage facilities are prohibited in the 100-year floodplain except as
6 authorized under G.S. 143-215.54A(b)."
7

8 **INSURANCE CANCELLATION PROOF OF MAILING**

9 **SECTION 28.(a)** G.S. 58-41-15 reads as rewritten:

10 "**§ 58-41-15. Certain policy cancellations prohibited.**

11 ...

12 (b) Any cancellation permitted by subsection (a) of this section is not effective unless
13 written notice of cancellation has been delivered or mailed to the insured, not less than 15 days
14 before the proposed effective date of cancellation. The notice must be given or mailed to the
15 insured, and any designated mortgagee or loss payee at their addresses shown in the policy or, if
16 not indicated in the policy, at their last known addresses. The notice must state the precise reason
17 for cancellation. ~~Proof of mailing is sufficient proof of notice.~~ Failure to send this notice to any
18 designated mortgagee or loss payee invalidates the cancellation only as to the mortgagee's or loss
19 payee's interest.

20 ...

21 (f) For purposes of this section, proof of mailing is sufficient proof of notice."

22 **SECTION 28.(b)** This section becomes effective October 1, 2020, and applies to
23 policies issued, amended, or renewed on or after that date.
24

25 **HURRICANE FLORENCE FUNDS**

26 **SECTION 29.** Notwithstanding any other provision of law to the contrary, the
27 Department of Agriculture and Consumer Services may use funds appropriated to the
28 Department pursuant to Session Law 2018-136, Section 4.1, to provide non-federal match for
29 any project that has been or will be approved for funding by the USDA Emergency Watershed
30 Protection Program.
31

32 **PART IV. SEVERABILITY CLAUSE AND EFFECTIVE DATE**

33 **SECTION 30.(a)** If any section or provision of this act is declared unconstitutional
34 or invalid by the courts, it does not affect the validity of this act as a whole or any part other than
35 the part declared to be unconstitutional or invalid.

36 **SECTION 30.(b)** Except as otherwise provided, this act is effective when it becomes
37 law.