

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H.B. 827
May 4, 2021
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10406-MHfa-99

Short Title: Improve Indoor Air Quality. (Public)

Sponsors: Representative Alexander.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPROVE INDOOR AIR QUALITY FOR NORTH CAROLINA CITIZENS.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Finding. – The General Assembly finds that improvement of air quality
5 in enclosed spaces in the State is in the public interest.

6
7 **HVAC FILTERING REQUIREMENT**

8 **SECTION 2.(a)** Definitions. – As used in this act, "Council" means the Building
9 Code Council and "Code" means the current North Carolina Building Code as adopted by the
10 Council.

11 **SECTION 2.(b)** New Code Amendment. – Until the effective date of the Code
12 amendment that the Council is required to adopt pursuant to subsection (d) of this section, the
13 Council and local governments enforcing the Code shall follow the provisions of subsection (c)
14 of this section with respect to requirements for installation of new or replacement heating, air
15 conditioning, or ventilation equipment.

16 **SECTION 2.(c)** Implementation. – Notwithstanding any provision of the Code to
17 the contrary, the Council shall require that new and replacement heating, ventilation, or air
18 conditioning units installed in commercial or residential occupancies must be equipped with an
19 ultraviolet germicidal irradiation system, antimicrobial coatings on ductwork, or other measures
20 that will provide ninety percent (90%) control of infectious aerosols.

21 **SECTION 2.(d)** Rulemaking Authority. – Notwithstanding G.S. 150B-19(4), the
22 Commission shall adopt amendments to the Code substantively equivalent to the provisions of
23 subsection (c) of this section.

24 **SECTION 2.(e)** Sunset. – Subsection (c) of this section expires on the date that rules
25 adopted pursuant to subsection (d) of this section become effective.

26
27 **TAX CREDIT FOR AIR PURIFICATION EQUIPMENT**

28 **SECTION 3.(a)** Article 3B of Chapter 105 of the General Statutes is amended by
29 adding a new section to read:

30 **"§ 105-129.16K. Credit for air purification HVAC property.**

31 (a) Credit. – A taxpayer that incorporates qualifying air purification componentry into
32 existing residential and commercial heating, ventilation, and air conditioning equipment is
33 allowed a credit equal to fifty percent (50%) of the cost of the qualifying air purification
34 componentry, including the cost of installation, if the equipment is placed in service in this State
35 during the taxable year. The entire credit may not be taken for the taxable year in which the
36 componentry is placed in service but must be taken in three equal installments beginning with



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1 the taxable year in which the componentry is placed in service. No credit is allowed under this
2 section to the extent the cost of the air purification componentry or installation was provided by
3 public funds. For purposes of this section, qualifying air purification componentry means an
4 ultraviolet germicidal irradiation system, antimicrobial coatings on ductwork, or other measures
5 that will provide ninety percent (90%) control of infectious aerosols.

6 (b) Expiration. – If, in one of the years in which the installment for a credit accrues, the
7 qualifying air purification componentry with respect to which the credit is claimed is disposed
8 of, taken out of service, or moved out of State, the credit expires, and the taxpayer may not take
9 any remaining installment of the credit. The taxpayer may, however, take the portion of an
10 installment that accrued in a previous year and was carried forward to the extent permitted under
11 G.S. 105-129.17.

12 (c) Sunset. – This section is repealed effective for qualifying air purification
13 componentry placed in service on or after January 1, 2026."

14 **SECTION 3.(b)** This section is effective for taxable years beginning on or after
15 January 1, 2021.

16 17 **STANDARDS FOR PUBLIC BUILDINGS**

18 **SECTION 4.(a)** G.S. 143-135.37 reads as rewritten:

19 "**§ 143-135.37. Energy and Energy, water use-use, and air purification standards for public**
20 **major facility construction and renovation projects; verification and reporting**
21 **of energy and water use.**

22 ...

23 (c2) Heating, Ventilation, and Air Conditioning Air Purification. – For every major facility
24 construction or renovation project of a public agency, the heating, ventilation, and air
25 conditioning system shall be designed and constructed to provide ninety percent (90%) control
26 of infectious aerosols through installation of an ultraviolet germicidal irradiation system,
27 antimicrobial coatings on ductwork, or other measures. The net savings requirement set forth in
28 subsection (a1) of this section shall not apply to standards imposed by this subsection.

29"

30 **SECTION 4.(b)** This section becomes effective October 1, 2023, and applies to
31 construction and renovation projects for which the bidding process is initiated on or after that
32 date.

33 34 **HVAC UPGRADE FUNDS**

35 **SECTION 5.(a)** Tier One County School Funds. – The sum of two million five
36 hundred thousand dollars (\$2,500,000) in nonrecurring funds for each year of the 2021-2023
37 fiscal biennium is appropriated to the Department of Public Instruction to provide matching
38 grants for the heating, ventilation, and air conditioning upgrades required by
39 G.S. 143-135.37(c2), as enacted by Section 4 of this act, to public school units located in a tier
40 one county, as defined in G.S. 143B-437.08. The public school unit will match grants under this
41 subsection on the basis of one dollar (\$1.00) from the public school unit for every two dollars
42 (\$2.00) in State funds.

43 **SECTION 5.(b)** Tier Two and Tier Three School Funds. – The sum of five million
44 dollars (\$5,000,000) in nonrecurring funds for each year of the 2021-2023 fiscal biennium is
45 appropriated to the Department of Public Instruction to provide matching grants for the heating,
46 ventilation, and air conditioning upgrades required by G.S. 143-135.37(c2), as enacted by
47 Section 4 of this act, to public school units located in tier two and tier three counties, as defined
48 in G.S. 143B-437.08. The public school unit will match grants under this subsection on the basis
49 of one dollar (\$1.00) from the public school unit for every one dollar (\$1.00) in State funds.

50 **SECTION 5.(c)** Community College Funds. – The sum of two million five hundred
51 thousand dollars (\$2,500,000) in nonrecurring funds for each year of the 2021-2023 fiscal

1 biennium is appropriated to the State Board of Community Colleges to provide matching grants
2 to community colleges for the heating, ventilation, and air conditioning upgrades required by
3 G.S. 143-135.37(c2), as enacted by Section 4 of this act. The community college will match
4 grants under this subsection on the basis of one dollar (\$1.00) from the community college for
5 every one dollar (\$1.00) in State funds.

6 **SECTION 5.(d)** Awards Criteria. – The State Board of Community Colleges and the
7 Department of Public Instruction shall develop criteria for consideration in determining the
8 award of matching funds that shall include at least the following:

- 9 (1) The age and condition of the heating, ventilation, and air conditioning systems
10 of school and community college buildings.
- 11 (2) Geographic diversity of awards.

12 **SECTION 5.(e)** The State Board of Community Colleges and the Department of
13 Public Instruction shall report annually no later than October 1 of each year in which funds
14 appropriated by this section are awarded to the Joint Legislative Education Oversight Committee
15 on the following:

- 16 (1) The community college and public school unit buildings receiving upgrades,
17 and the funding provided for each building, grouped by community college or
18 public school unit.
- 19 (2) An estimate of the remaining need for heating, ventilation, and air
20 conditioning upgrades needed to reach the infectious aerosol standard set forth
21 in G.S. 143-135.37(c2), as enacted by Section 4 of this act.

22 **SECTION 5.(f)** This section becomes effective July 1, 2021.

23 **SECTION 6.** Except as otherwise specified, this act is effective when it becomes
24 law.