

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

**H.B. 911**  
**May 10, 2021**  
**HOUSE PRINCIPAL CLERK**

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HOUSE BILL DRH10468-BHxf-4

Short Title: Regulatory Reform 2.0. (Public)

Sponsors: Representative Riddell.

Referred to:

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

4 The General Assembly of North Carolina enacts:

5  
6 **MODIFY AUTOMATIC SPRINKLER REQUIREMENTS FOR ONE- AND**  
7 **TWO-FAMILY DWELLINGS**

8 **SECTION 1.(a)** Definitions. – As used in this section, "Council" means the North  
9 Carolina Building Code Council, and "Code" means the current North Carolina Building Code  
10 collection and amendments to the Code, as adopted by the Council.

11 **SECTION 1.(b)** Code Amendment. – Until the effective date of the Code  
12 amendment that the Council is required to adopt pursuant to this section, the Council and Code  
13 enforcement officials enforcing the Code shall follow the provisions of subsection (c) of this  
14 section as they relate to Section D107 of the 2018 North Carolina Fire Code and other provisions  
15 that relate to fire apparatus access roads for one- or two-family dwelling residential  
16 developments.

17 **SECTION 1.(c)** Implementation. – Notwithstanding any provision of the Code or  
18 law to the contrary, the Council and Code enforcement officials shall not require an automatic  
19 sprinkler system in one- or two-family dwellings where there are fewer than 100 dwelling units  
20 on a single public or private fire apparatus access road with access from one direction.

21 **SECTION 1.(d)** Additional Rulemaking Authority. – The Council shall adopt a rule  
22 to amend Section D107 of the 2018 North Carolina Fire Code consistent with subsection (c) of  
23 this section. Notwithstanding G.S. 143-136(c), the Residential Code Committee within the  
24 Council shall consider the amendment required by this section. Notwithstanding  
25 G.S. 150B-19(4), the rule adopted by the Council pursuant to this subsection shall be  
26 substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant  
27 to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes.  
28 Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1),  
29 as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

30 **SECTION 1.(e)** Sunset. – This section expires on the date that rules adopted pursuant  
31 to subsection (d) of this section become effective.

32  
33 **CLARIFY PERMIT REQUIREMENTS TO LEASE OR RENT RESIDENTIAL REAL**  
34 **PROPERTY**

35 **SECTION 2.** G.S. 160D-1207(c) reads as rewritten:



"(c) In no event may a local government do any of the following: (i) adopt or enforce any ordinance that would require any owner or manager of rental property to obtain any permit or permission ~~under Article 11 or Article 12 of this Chapter~~ from the local government to lease or rent residential real property or to register rental property with the local government, except for those individual properties that have more than four verified violations in a rolling 12-month period or two or more verified violations in a rolling 30-day period, or upon the property being identified within the top ten percent (10%) of properties with crime or disorder problems as set forth in a local ordinance, (ii) require that an owner or manager of residential rental property enroll or participate in any governmental program as a condition of obtaining a certificate of occupancy, (iii) levy a special fee or tax on residential rental property that is not also levied against other commercial and residential properties, unless expressly authorized by general law or applicable only to an individual rental unit or property described in clause (i) of this subsection and the fee does not exceed five hundred dollars (\$500.00) in any 12-month period in which the unit or property is found to have verified violations, (iv) provide that any violation of a rental registration ordinance is punishable as a criminal offense, or (v) require any owner or manager of rental property to submit to an inspection before receiving any utility service provided by the local government. For purposes of this section, the term "verified violation" means all of the following:

- (1) The aggregate of all violations of housing ordinances or codes found in an individual rental unit of residential real property during a 72-hour period.
- (2) Any violations that have not been corrected by the owner or manager within 21 days of receipt of written notice from the local government of the violations. Should the same violation occur more than two times in a 12-month period, the owner or manager may not have the option of correcting the violation. If the housing code provides that any form of prohibited tenant behavior constitutes a violation by the owner or manager of the rental property, it shall be deemed a correction of the tenant-related violation if the owner or manager, within 30 days of receipt of written notice of the tenant-related violation, brings a summary ejection action to have the tenant evicted."

**CLARIFY REQUESTING BOARD FOR RESIDENCY LICENSE**

**SECTION 3.** G.S. 115C-270.20 reads as rewritten:

**"§ 115C-270.20. Licensure requirements.**

(a) Teacher Licenses. – The State Board shall adopt rules for the issuance of the following classes of teacher licenses, including required levels of preparation for each classification:

- ...
- (5) Residency License or RL. – A one-year license, renewable twice, that meets both of the following requirements:
    - a. ~~Is requested by the local board of education governing body of a public school unit~~ and accompanied by a certification of supervision from the recognized educator preparation program in which the individual is enrolled.
    - b. The individual for whom the license is requested meets all of the following requirements:
      1. Holds a bachelor's degree.
      2. Has either completed coursework relevant to the requested licensure area or passed the content area examination relevant to the requested licensure area that has been approved by the State Board.
      3. Is enrolled in a recognized educator preparation program.

4. Meets all other requirements established by the State Board, including completing preservice requirements prior to teaching.

...."

**CREATE LOTTERY EXEMPTION FOR GRANDCHILDREN OF BOARD MEMBERS**

**SECTION 4.** G.S. 115C-218.45 reads as rewritten:

**"§ 115C-218.45. Admission requirements.**

...

- (f) The charter school may give enrollment priority to any of the following:
  - (1) Siblings of currently enrolled students who were admitted to the charter school in a previous year. For the purposes of this section, the term "siblings" includes any of the following who reside in the same household: half siblings, stepsiblings, and children residing in a family foster home.
    - (1a) Siblings who apply to the charter school for admission beginning in the same school year, such as when a sibling was not initially admitted due to grade level capacity.
    - (2) Siblings of students who have completed the highest grade level offered by that school and who were enrolled in at least four grade levels offered by the charter school or, if less than four grades are offered, in the maximum number of grades offered by the charter school.
    - (2a) A student who was enrolled in a preschool program operated by the charter school in the prior year.
    - (3) Limited to no more than fifteen percent (15%) of the school's total enrollment, unless granted a waiver by the State Board of Education, the following:
      - a. Children of persons (i) employed full time by the charter school or (ii) working full time in the daily operation of the charter school, including children of persons employed by an education management organization or charter management organization for the charter school.
      - b. Children or grandchildren of the charter school's board of directors.
    - (4) A student who was enrolled in the charter school within the two previous school years but left the school (i) to participate in an academic study abroad program or a competitive admission residential program or (ii) because of the vocational opportunities of the student's parent.
    - (5) A student who was enrolled in another charter school in the State in the previous school year that does not offer the student's next grade level.
    - (6) A student who was enrolled in another charter school in the State in the previous school year that does not offer the student's next grade level and both of the charter schools have an enrollment articulation agreement to accept students or are governed by the same board of directors.
    - (7) A student who was enrolled in another charter school in the State in the previous school year.

...."

**TOLLING THE TERMS OF CHARTERS TO ALLOW TIME TO OBTAIN LAND USE PROPOSALS**

**SECTION 5.** G.S. 115C-218.5 is amended by adding a new subsection to read:

"(g) A charter school shall be entitled to automatically extend any deadline to begin operations or commence the term of its charter until the next school year, if it notifies the State Board by June 30 that is seeking land use or development approvals for its selected site or

1 facilities, or if it is challenging the denial of any requested land use or development approvals.  
2 The term of the charter issued by the State Board shall be tolled during the period of any extension  
3 or extensions issued under this section."  
4

## 5 UTILITIES/LANDLORD WATER RESELLER CHANGES

6 SECTION 6.(a) G.S. 62-110 reads as rewritten:

7 "§ 62-110. Certificate of convenience and necessity.

8 ...

9 (g) In addition to the authority to issue a certificate of public convenience and necessity  
10 and establish rates otherwise granted in this Chapter, for the purpose of encouraging water  
11 conservation, the Commission may, consistent with the public interest, adopt procedures that  
12 allow a lessor of a single-family dwelling, residential building, or multiunit apartment complex  
13 to charge for the costs of providing water or sewer service to persons who occupy the leased  
14 premises. The following provisions shall apply:

15 (1) ~~All~~ Except as provided in subdivisions (1a), (1b), and (1c) of this subsection,  
16 all charges for water or sewer service shall be based on the user's metered  
17 consumption of water, which shall be determined by metered measurement of  
18 all water consumed. The rate charged by the lessor shall not exceed the unit  
19 consumption rate charged by the supplier of the service.

20 (1a) If the leased premises are contiguous dwelling units built prior to 1989, and  
21 the lessor determines that the measurement of the lessee's total water usage is  
22 impractical or not economical, the lessor may allocate the cost for water and  
23 sewer service to the lessee using equipment that measures the lessee's hot  
24 water usage. In that case, each lessee shall be billed a percentage of the lessor's  
25 water and sewer costs for water usage in the dwelling units based upon the hot  
26 water used in the lessee's dwelling unit. The percentage of total water usage  
27 allocated for each dwelling unit shall be equal to that dwelling unit's  
28 individually submetered hot water usage divided by all submetered hot water  
29 usage in all dwelling units. The following conditions apply to billing for water  
30 and sewer service under this subdivision:

- 31 a. A lessor shall not utilize a ratio utility billing system or other allocation  
32 billing system that does not rely on individually submetered hot water  
33 usage to determine the allocation of water and sewer costs.
- 34 b. The lessor shall not include in a lessee's bill the cost of water and sewer  
35 service used in common areas or water loss due to leaks in the lessor's  
36 water mains. A lessor shall not bill or attempt to collect for excess  
37 water usage resulting from a plumbing malfunction or other condition  
38 that is not known to the lessee or that has been reported to the lessor.
- 39 c. All equipment used to measure water usage shall comply with  
40 guidelines promulgated by the American Water Works Association.
- 41 d. The lessor shall maintain records for a minimum of 12 months that  
42 demonstrate how each lessee's allocated costs were calculated for  
43 water and sewer service. Upon advanced written notice to the lessor, a  
44 lessee may inspect the records during reasonable business hours.
- 45 e. Bills for water and sewer service sent by the lessor to the lessee shall  
46 contain all the following information:
- 47 1. The amount of water and sewer services allocated to the lessee  
48 during the billing period.
  - 49 2. The method used to determine the amount of water and sewer  
50 services allocated to the lessee.
  - 51 3. Beginning and ending dates for the billing period.

- 4. The past-due date, which shall not be less than 25 days after the bill is mailed.
- 5. A local or toll-free telephone number and address that the lessee can use to obtain more information about the bill.

(1b) Notwithstanding the provisions of subdivisions ~~(1) and (1a)~~(1), (1a), and (1c) of this subsection, if the Commission approves a flat rate to be charged by a water or sewer utility for the provision of water or sewer services to contiguous dwelling units, the lessor may pass through and charge the tenants of the contiguous dwelling units the same flat rate for water or sewer services, rather than a rate based on metered consumption, and an administrative fee as authorized in subdivision (2) of this subsection. Bills for water and sewer service sent by the lessor to the lessee shall contain all the information required by sub-sub-subdivisions e.2. through e.5. of subdivision (1a) of this subsection.

(1c) The lessor may equally divide the amount of the water and sewer bill for a unit among all the lessees in the unit and may send one bill to each lessee. The amount charged shall be prorated when a lessee has not leased the unit for the same number of days as the other lessees in the unit during the billing period. Each bill may include an administrative fee up to the amount of the then-current administrative fee authorized by the Commission in Rule 18-6 for water service and, when applicable, a late fee in an amount determined by the Commission. The lessor shall not charge the cost of water and sewer from any other unit or common area in a lessee's bill sent pursuant to this subdivision.

...."

**SECTION 6.(b)** This section becomes effective October 1, 2021.

**PROVIDE AN APPROVAL PROCESS FOR CERTAIN TRENCH DISPERSAL SYSTEMS**

**SECTION 7.** G.S. 130A-343 reads as rewritten:

**"§ 130A-343. Approval of on-site subsurface wastewater systems.**

(a) Definitions. – As used in this section:

...

(8) "Trench dispersal systems specifically identified in rule" means any trench dispersal system that (i) has been demonstrated to perform in a manner equal or superior to a trench dispersal system specifically identified in a rule adopted by the Commission, (ii) is constructed of materials whose physical and chemical properties provide the strength, durability, and chemical resistance to allow the system to withstand loads and conditions as required by rules adopted by the Commission, and (iii) has been approved by the Commission as a trench dispersal system specifically identified in a rule adopted by the Commission.

...

(j2) Trench Dispersal Systems Specifically Identified in Rule. – A manufacturer may petition the Commission to have a wastewater trench system approved as a trench dispersal system specifically identified in a rule adopted by the Commission as provided in this subsection.

(1) The Commission shall issue a limited approval for the installation of up to 1,000 wastewater trench systems as a trench dispersal system specifically identified in a rule adopted by the Commission when the following conditions have been met:

- 1           a.     The external dimensions of the wastewater trench system meet the  
2           dimensional requirements of the trench dispersal system specifically  
3           identified in a rule adopted by the Commission.
- 4           b.     The wastewater trench system can be installed in conformance with  
5           applicable requirements of the trench dispersal system specifically  
6           identified in a rule adopted by the Commission.
- 7           c.     The physical properties, chemical durability, and structural integrity  
8           of the materials from which the wastewater trench system is  
9           constructed are equal to or superior to the physical properties,  
10          chemical durability, and structural integrity of the materials from  
11          which the trench dispersal system specifically identified in a rule  
12          adopted by the Commission, a conventional system, or innovative or  
13          accepted wastewater trench system is constructed.
- 14          d.     The wastewater trench system design is functionally similar to another  
15          trench dispersal system specifically identified in a rule adopted by the  
16          Commission or an innovative or accepted wastewater trench system.
- 17          e.     Limited approval of a wastewater trench system as a trench dispersal  
18          system specifically identified in a rule adopted by the Commission  
19          shall not be conditioned on the manufacturer of the wastewater trench  
20          system having operational systems installed in the State.
- 21        (2)    The Commission shall approve the wastewater trench system from limited use  
22        to general use, allowing an unlimited number of installations, when the  
23        manufacturer provides to the Commission all of the following information:
- 24           a.     A survey of system hydraulic performance on at least 30 randomly  
25           selected systems currently in use and in operation for at least 12  
26           months with separate field evaluations completed during a  
27           wet-weather season and non-wet-weather season, as defined in rules  
28           adopted by the Commission, resulting in a minimum of 50 hydraulic  
29           performance data sets. The survey of system hydraulic performance  
30           shall be conducted by an independent, third-party professional  
31           engineer or licensed soil scientist and documented in a report provided  
32           to the Commission. The hydraulic function of a system and its  
33           hydraulic malfunction status shall be determined as defined in rules  
34           adopted by the Commission through a visual inspection of the ground  
35           surface above and around the system installation. The report shall  
36           show system hydraulic performance and rate of malfunction are equal  
37           or superior to the demonstrated hydraulic performance of a  
38           conventional wastewater system.
- 39           b.     For a wastewater trench system proposed for approval as a  
40           prefabricated, permeable block panel system, as the term is used in  
41           rules adopted by the Commission, a survey of system wastewater  
42           treatment efficacy. Treatment performance shall be determined on the  
43           systems selected for hydraulic performance evaluation under this  
44           section with separate field evaluations completed during a  
45           wet-weather season and non-wet-weather season, as defined in rules  
46           adopted by the Commission, resulting in a minimum of 50 treatment  
47           performance data sets. The survey of system treatment performance  
48           shall be conducted by an independent, third-party professional  
49           engineer or licensed soil scientist and documented in a report provided  
50           to the Commission. The report shall show wastewater trench system  
51           treatment performance meets Class I residential wastewater treatment

1 system criteria, as set out in Standard 40 of the National Sanitation  
2 Foundation, Inc., (as approved January 13, 2001), as amended, for  
3 ninety-five percent (95%) of the collected samples. A wastewater  
4 trench system approved by a nationally recognized certification body,  
5 as described in G.S. 130A-342(a), is exempt from the performance of  
6 a wastewater treatment efficacy survey. If applicable, the approval  
7 from a nationally recognized certification body, as described in  
8 G.S. 130A-342(a), shall be provided to the Commission.

9 (3) The Commission approval of a wastewater trench system as a trench dispersal  
10 system specifically identified in a rule adopted by the Commission shall  
11 identify the approved system using the name assigned to the trench dispersal  
12 system specifically identified in a rule adopted by the Commission. The  
13 Commission, Department, and local health department may not condition,  
14 delay, or deny the permitting of such a wastewater trench system when the  
15 trench dispersal system specifically identified in a rule adopted by the  
16 Commission is identified on a permit issued by a permitting authority.

17 (4) The Commission shall not include conditions and limitations in the approval  
18 of a wastewater trench system as a trench dispersal system specifically  
19 identified in a rule adopted by the Commission that are not described in the  
20 applicable rule adopted by the Commission.

21 ...."

22  
23 **AUTHORIZE TABOR CITY TO PARTICIPATE IN RAILROAD REVITALIZATION**  
24 **PROGRAMS**

25 **SECTION 8.(a)** Tabor City is authorized to participate in State and federal railroad  
26 revitalization programs necessary to insure continued or improved rail service to the city as are  
27 authorized in Article 2D of Chapter 136 of the General Statutes. Tabor City is authorized to enter  
28 into contracts with the North Carolina Department of Transportation to provide for the nonfederal  
29 matching funds for railroad revitalization programs. Such funds may be comprised of State funds  
30 distributed under the provisions of G.S. 136-44.38 and of city funds. Tabor City is authorized to  
31 levy local property tax for railroad revitalization programs subject to G.S. 160A-209(d). City  
32 funds for any project may not exceed ten percent (10%) of total project costs.

33 **SECTION 8.(b)** This section applies only to Tabor City.

34 **SECTION 8.(c)** This section is effective when it becomes law and expires December  
35 31, 2026.

36 **SECTION 9.** Except as otherwise provided, this act is effective when it becomes  
37 law.