GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2023

H.B. 660 Apr 17, 2023 HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40355-CCa-7

Short Title: PFAS Free NC. (Public)

Sponsors: Representative Harrison.

Referred to:

1 A BILL TO BE ENTITLED

AN ACT TO BAN THE MANUFACTURE, USE, AND DISTRIBUTION OF PFAS AND PFAS-CONTAINING PRODUCTS WITHIN THE STATE, TO IMPLEMENT MEASURES TO PREVENT AND ADDRESS CONTAMINATION FROM THE DISCHARGE OF PFAS IN THE STATE, AND TO DIRECT VARIOUS AGENCIES TO STUDY MATTERS ASSOCIATED WITH PFAS CONTAMINATION IN ORDER TO PROTECT THE PUBLIC HEALTH.

The General Assembly of North Carolina enacts:

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PART I. BAN PFAS

SECTION 1. Article 21A of Chapter 143 of the General Statutes is amended by adding a new Part to read:

"Part 8. Ban Manufacture, Use, and Distribution of Certain Toxic Chemicals.

"§ 143-215.104LL. Prohibition on manufacture, use, and distribution of PFAS within the State.

- (a) No person may knowingly do any of the following:
 - (1) Manufacture PFAS for use within the State or manufacture PFAS for export from the State.
 - (2) Use any PFAS for the production of any product within the State, or for export from the State, except for products specifically authorized or required to contain PFAS under federal law.
 - Process or distribute in commerce any PFAS, or any product containing PFAS, for use within the State or for export from the State, except for products specifically authorized or required to contain PFAS under federal law.
- (b) For purposes of this section, "PFAS" means per-fluoroalkyl and poly-fluoroalkyl substances, a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

"<u>§ 143-215.104MM. Civil penalties.</u>

- (\$5,000) or, if the violation involves a hazardous waste, as defined in G.S. 130A-290, of not more than twenty-five thousand dollars (\$25,000) against any person who violates a requirement of this Part.
- (b) If any action or failure to act for which a penalty may be assessed under subsection (a) of this section is a repeat offense, the Secretary may assess a penalty not to exceed ten thousand dollars (\$10,000) per occurrence. A penalty for multiple occurrences shall not exceed two hundred thousand dollars (\$200,000) in any month.



- (c) <u>In determining the amount of the penalty, the Secretary shall consider the factors set out in G.S. 143B-282.1(b). The procedures set out in G.S. 143B-282.1 shall apply to civil penalty assessments that are presented to the Commission for final agency decision.</u>
- (d) The Secretary shall notify any person assessed a civil penalty for the assessment and the specific reasons therefor by registered or certified mail or by any means authorized by G.S. 1A-1, Rule 4. Contested case petitions shall be filed pursuant to G.S. 150B-23 within 30 days of receipt of the notice of assessment.
- (e) Requests for remission of civil penalties shall be filed with the Secretary. Remission requests shall not be considered unless made within 30 days of receipt of the notice of assessment. Remission requests must be accompanied by a waiver of the right to a contested case hearing pursuant to Chapter 150B of the General Statutes and a stipulation of the facts on which the assessment was based. Consistent with the limitations in G.S. 143B-282.1(c) and (d), remission requests may be resolved by the Secretary and the violator. If the Secretary and the violator are unable to resolve the request, the Secretary shall deliver the remission request and the recommended action to the Committee on Civil Penalty Remissions of the Environmental Management Commission appointed pursuant to G.S. 143B-282.1(c).
- (f) If any civil penalty has not been paid within 30 days after notice of assessment has been served on the violator, the Secretary shall request the Attorney General to institute a civil action in the superior court of any county in which the violator resides or the violator's principal place of business is located in order to recover the amount of the assessment, unless the violator contests the assessment as provided in subsection (d) of this section or requests remission of the assessment in whole or in part as provided in subsection (e) of this section. If any civil penalty has not been paid within 30 days after the final agency decision or order has been served on the violator, the Secretary shall request the Attorney General to institute a civil action in the superior court of any county in which the violator resides or the violator's principal place of business is located to recover the amount of the assessment. A civil action must be filed within three years of the date the final agency decision or court order was served on the violator."

PART II. REQUIREMENTS FOR POLLUTANT DISCHARGE DISCLOSURE; PFAS DISCHARGE LIMITATIONS

SECTION 2. G.S. 143-215.1 reads as rewritten:

"§ 143-215.1. Control of sources of water pollution; permits required.

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- (I) The Department shall require that every person applying for an individual National Pollutant Discharge Elimination System (NPDES) permit fully disclose in their application for a new permit, or for a permit renewal, each pollutant in the person's discharge that is reasonably expected to be at or above the practical quantitation limit (PQL) for the pollutant. The pollutant's concentration to be discharged shall be disclosed, as well as the chemical abstracts service (CAS) number for each pollutant if available. If the CAS number is unavailable, the pollutant shall otherwise be described in sufficient detail so as to adequately inform the Department of the pollutant's characteristics.
- (m) Any person who is required to obtain a National Pollutant Discharge Elimination System (NPDES) permit under this Article that receives waste from an industrial user, as that term is defined under 15A NCAC 02H .0903, shall require the industrial user to disclose in the industrial user's application for a new pretreatment permit, or for a pretreatment permit renewal, each pollutant in the industrial user's discharge that is at or above the practical quantitation limit (POL) for the pollutant.
- (n) Any person who is required to obtain a National Pollutant Discharge Elimination System (NPDES) permit under this Article that receives waste from an industrial user that includes PFAS shall eliminate the PFAS prior to discharge into waters of the State, and if elimination of PFAS by the NPDES permittee prior to discharge to waters of the State is

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economically or otherwise impracticable, the NPDES permittee shall require the industrial user to eliminate the PFAS from the user's discharge. For purposes of this section, "PFAS" means per-fluoroalkyl and poly-fluoroalkyl substances, a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom."

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PART III. CUSTOMER NOTIFICATION OF DRINKING WATER SAMPLING RESULTS

SECTION 3.(a) G.S. 130A-329 reads as rewritten:

"§ 130A-329. Reporting. Reporting and customer notification.

- (a) Reports required to be submitted under this Article or under rules adopted by the Commission shall be submitted electronically on a form specified by the Department. The Department may waive the requirement for electronic submission of a report if the water system demonstrates that it lacks the technical capability to report electronically.
- (b) Public water systems subject to drinking water sampling requirements pursuant to the Unregulated Contaminant Monitoring Rule, as adopted under section 1445 of the federal Safe Drinking Water Act, as amended, 42 U.S.C. § 300j-4, shall provide public notice of the drinking water sampling results within 30 days of receiving the sampling results. Public notice must include providing written notice to each customer and posting sampling results on a publicly accessible website."

SECTION 3.(b) No later than June 30, 2023, public water systems that have received prior sampling results demonstrating the presence of PFAS in finished drinking water shall provide public notice of the sampling results. Public notice must include providing written notice to each customer and posting sampling results on a publicly accessible website. For purposes of this subsection, "PFAS" means any fluorinated substances that contain at least one fully fluorinated methyl or methylene carbon atom, including any precursors of such substances.

PART IV. DEPARTMENT OF ENVIRONMENTAL QUALITY AND ENVIRONMENTAL MANAGEMENT COMMISSION ACTION TO ADDRESS PFAS

SECTION 4. No later than June 1, 2024, the Department of Environmental Quality shall begin identifying technology-based limits for detectable PFAS in new and renewed National Pollutant Discharge Elimination System (NPDES) permits. Such technology-based limits shall consist of treatments sufficient to reduce detectable PFAS in effluent to non-detect levels. For purposes of this section, the following definitions apply:

- (1) "Detectable PFAS" means PFAS in an amount such that the presence, individual concentrations, and total concentrations can be assessed by a laboratory method certified by the United States Environmental Protection Agency or approved by the Department.
- (2) "Non-detect levels" means concentrations of PFAS below 10 ppt as measured by a laboratory method certified by the United States Environmental Protection Agency or approved by the Department.

SECTION 5.(a) The Department of Environmental Quality shall study the presence of PFAS in land-applied biosolids, including identifying the most common PFAS that may be present in biosolids, likely categories of sources for any PFAS detected, the propensity of PFAS to migrate off-site from land application sites, and accumulation and persistence of PFAS in soil and water that are downgradient from land application sites. The Department shall report the findings of its study, including recommendations for legislative and Commission action, to the Environmental Management Commission and the Environmental Review Commission no later than September 1, 2024.

SECTION 5.(b) If, as a result of the study performed pursuant to subsection (a) of this section, the Department of Environmental Quality finds that PFAS are likely to migrate from land application sites and accumulate at detectable levels in soil and water that are downgradient

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from such sites, the Environmental Management Commission shall adopt rules to prevent such migration or accumulation of the pollutant off-site.

SECTION 6.(a) The Department of Environmental Quality shall study the presence of PFAS in leachate collected and disposed of from municipal solid waste landfills and construction and demolition debris landfills, including identifying the most common PFAS that may be present in leachate, as well as the effectiveness of treatment technologies in wastewater treatment plants at removing PFAS prior to discharge. The Department shall report the findings of its study, including recommendations for legislative and Commission action, to the Environmental Management Commission and the Environmental Review Commission no later than September 1, 2024.

SECTION 6.(b) If, as a result of the study performed pursuant to subsection (a) of this section, the Department of Environmental Quality finds that PFAS in landfill leachate cannot be practicably removed from wastewater prior to discharge, the Environmental Management Commission shall adopt rules to prohibit the disposal of leachate containing detectable PFAS at wastewater treatment plants.

SECTION 6.(c) For purposes of this section, "detectable PFAS" means PFAS in an amount such that the presence, individual concentrations, and total concentrations can be assessed by a laboratory method certified by the United States Environmental Protection Agency or approved by the Department.

SECTION 7. If, by January 1, 2024, the United States Environmental Protection Agency (USEPA) has not certified a lab method for the identification and measurement of PFAS in wastewater, the Department of Environmental Quality shall approve an USEPA-validated lab method for this purpose.

SECTION 8. The Department of Environmental Quality shall create an inventory of all ongoing direct and indirect discharges of PFAS to the air and surface waters, as well as known and likely instances of PFAS contamination in soil and groundwater. This inventory shall include, at minimum, the location of the discharge, the amount of the ongoing discharge, and the duration of the discharge, to the extent that the Department can determine those parameters. The Department may coordinate with the North Carolina Per- and Poly-fluoroalkyl Substances Testing (PFAST) Network, organized by the North Carolina Policy Collaboratory, or any other entity the Department deems necessary to assemble the inventory of PFAS discharges and contamination. The Department shall report its initial findings to the Environmental Review Commission no later than September 1, 2024, and shall provide quarterly updates on new discharges or contamination to the Environmental Review Commission thereafter.

SECTION 9. The Secretaries' Science Advisory Board of the Department of Environmental Quality and the Department of Health and Human Services shall conduct a risk assessment, based on the best available scientific information, of the risks to human health presented by exposures to PFAS present in North Carolina in various media, including air, water, and soil, both as individual toxic substances and as a class of toxic substances. The Secretaries' Science Advisory Board shall report the findings of its risk assessment to the Joint Legislative Oversight Committee on Health and Human Services and the Environmental Review Commission no later than September 1, 2024.

PART V. DIRECTIVES TO VARIOUS AGENCIES TO STUDY MATTERS ASSOCIATED WITH PFAS CONTAMINATION

SECTION 10. The Department of Health and Human Services shall develop and implement a program, in consultation with the Department of Environmental Quality, to (i) study the estimated human exposure to per- and poly-fluoroalkyl substances (PFAS) in the Cape Fear River Basin and (ii) conduct an epidemiological study of populations in the Cape Fear River Basin to identify disparities in disease prevalence that are consistent with long-term exposures to PFAS. No later than December 31, 2024, the Department shall issue a final report on its findings

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under these studies, including any recommendations for legislative action, to the Environmental Review Commission. Until such time as the final report is issued, the Department shall submit quarterly reports to the Environmental Review Commission, beginning no later than January 1, 2024, on activities conducted pursuant to this section.

SECTION 11. The Wildlife Resources Commission shall study the estimated ecological exposures and impacts from PFAS contamination in the Cape Fear River Basin. No later than December 31, 2024, the Commission shall issue a final report on its findings under the study, including any recommendations for legislative action, to the Environmental Review Commission. Until such time as the final report is issued, the Commission shall submit quarterly reports to the Environmental Review Commission, beginning no later than January 1, 2024, on activities conducted pursuant to this section.

SECTION 12. The Office of State Budget and Management (OSBM) shall study estimated costs incurred by the State, local governments, businesses, and individuals in response to human and ecological exposure to PFAS. OSBM shall, in consultation with the Department of Environmental Quality and the Attorney General, establish an estimate of costs attributable to each source of PFAS identified in the State. No later than December 31, 2024, OSBM shall issue a final report on its findings under the study, including any recommendations for legislative action, to the Environmental Review Commission. Until such time as the final report is issued, OSBM shall submit quarterly reports to the Environmental Review Commission, beginning no later than January 1, 2024, on activities conducted pursuant to this section.

SECTION 13. The North Carolina Policy Collaboratory shall study the ongoing and anticipated future costs of the aggregate impact of the discharge, emission, and contamination of PFAS in North Carolina, including the costs of sampling, testing, cleanup, and decontamination; health care related to PFAS exposure; infrastructure improvements; and any other associated costs. The Collaboratory shall determine anticipated future costs of PFAS discharge, emission, and contamination by extrapolating from the best available scientific information about PFAS risks and impacts. The Collaboratory shall report its findings to the Joint Legislative Oversight Committee on Government Operations, the Joint Legislative Oversight Committee on Health and Human Services, and the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources no later than September 1, 2024.

SECTION 14. The Environmental Review Commission shall study all statutory and regulatory requirements for disclosing the discharge or release of PFAS or other emerging contaminants to the Department of Environmental Quality and the public, including downstream water users. The Environmental Review Commission shall report its findings and recommendations, including any legislative proposals, to the 2024 Regular Session of the 2023 General Assembly upon its convening.

SECTION 15. The Environmental Review Commission shall study actions taken by other states to promote and expand the practice of green chemistry to reduce the generation and use of hazardous chemicals and to drive sustainable alternatives to the manufacture and use of PFAS and other emerging contaminants. In conducting its study, the Environmental Review Commission shall examine tax incentives, reporting requirements, regulatory changes, and any other relevant approaches that other states have adopted to promote and expand the practice of green chemistry. The Environmental Review Commission shall report its findings and recommendations, including any legislative proposals, to the 2024 Regular Session of the General Assembly upon its convening.

PART VI. FUNDING FOR STUDIES CONDUCTED BY STATE AGENCIES

SECTION 16.(a) The sum of two hundred thousand dollars (\$200,000) in nonrecurring funds for the 2023-2024 fiscal year is appropriated from the General Fund to the Department of Environmental Quality to carry out the studies required by Sections 8 and 9 of this act.

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SECTION 16.(b) The sum of one hundred thousand dollars (\$100,000) in nonrecurring funds for the 2023-2024 fiscal year is appropriated from the General Fund to the Department of Health and Human Services to carry out the studies required by Section 10 of this act.

SECTION 16.(c) The sum of one hundred thousand dollars (\$100,000) in nonrecurring funds for the 2023-2024 fiscal year is appropriated from the General Fund to the Wildlife Resources Commission to carry out the study required by Section 11 of this act.

SECTION 16.(d) The sum of one hundred thousand dollars (\$100,000) in nonrecurring funds for the 2023-2024 fiscal year is appropriated from the General Fund to the Office of State Budget and Management to carry out the study required by Section 12 of this act.

SECTION 16.(e) The sum of one hundred thousand dollars (\$100,000) in nonrecurring funds for the 2023-2024 fiscal year is appropriated from the General Fund to the North Carolina Policy Collaboratory to carry out the study required by Section 13 of this act.

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SECTION 16.(f) This section becomes effective July 1, 2023.

PART VII. ADDITIONAL FUNDING FOR PFAS MATTERS

SECTION 17.(a) There is appropriated from the General Fund to the Department of Environmental Quality the sum of five million dollars (\$5,000,000) in nonrecurring funds for the 2023-2024 fiscal year for the Bernard Allen Drinking Water Fund to fund drinking water treatment systems for individuals, businesses, and community water systems with covered wells. For purposes of this section, a "covered well" is a drinking water well contaminated with PFOA above 12 ppt, PFOS above 13 ppt, PFNA above 11 ppt, PFHxS above 18 ppt, or above 20 ppt for the sum of all detectable PFAS.

SECTION 17.(b) There is appropriated from the General Fund to the Department of Environmental Quality the sum of five million dollars (\$5,000,000) in recurring funds to expand the Department's ambient water quality monitoring activities to identify emerging and other pollutants in waters of the State at locations upstream from surface drinking water intakes.

SECTION 17.(c) There is appropriated from the General Fund to the Department of Environmental Quality the sum of one million dollars (\$1,000,000) in nonrecurring funds for the 2023-2024 fiscal year to develop a strategy to address persistent toxic chemicals in the State's environment. In developing a persistent toxics strategy, the Department shall first develop a planned strategy for the reduction of PFAS in the environment to be known as the "PFAS Chemical Action Plan," which shall serve as a model for development of future chemical action plans for other pollutants. The PFAS Chemical Action Plan shall include, at a minimum, (i) identification of all currently detectable PFAS uses within the State and (ii) identification of options and actions to reduce or eliminate detectable PFAS within the State, including analysis of State and federal laws and policies for that purpose. The Department shall consult with stakeholders in the development of the Plan and shall provide opportunities for public comment. The final PFAS Chemical Action Plan, developed after considering public comments received and the input of stakeholders, shall identify recommendations for legislative action and for Department action, including the adoption of rules. The Department shall finalize the PFAS Chemical Action Plan no later than January 1, 2025, and shall initiate implementation of the Plan no later than April 1, 2025.

SECTION 17.(d) There is appropriated from the General Fund to the Department of Environmental Quality the sum of one million dollars (\$1,000,000) in nonrecurring funds for the 2023-2024 fiscal year to study PFAS destruction and disposal techniques to identify a safe, effective, and scalable technology. For purposes of this section, a "safe technology" means one that does not result in further contamination via air deposition or soil or water contamination. The study shall include an analysis of the effectiveness and safety of current technologies, including those presently at bench and pilot scales. In the conduct of this study, the Department may coordinate with, and review research conducted by, other entities such as the Strategic

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Environmental Research and Development Program. The Department shall report its findings, 1

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including any recommendations for legislative action necessary to protect public health and the environment, to the Environmental Management Commission and the Environmental Review Commission no later than September 1, 2024.

SECTION 17.(e) There is appropriated from the General Fund to the State Water Infrastructure Authority the sum of eighty million dollars (\$80,000,000) in nonrecurring funds for the 2023-2024 fiscal year to issue matching grants to water systems to build or improve drinking water treatment systems to substantially reduce public exposure to detectable PFAS.

SECTION 17.(f) The Attorney General shall develop and maintain a record of cumulative expenses borne by State agencies and local governments under subsections (a), (d), and (e) of this section. The Attorney General shall report to the General Assembly no later than March 1, 2024, on the cumulative expenses recorded and the State's options to recover damages and costs incurred to protect North Carolinians from PFAS contamination from entities responsible for the introduction of PFAS into the air, water, groundwater, and soil of the State.

SECTION 17.(g) For purposes of this section, "detectable PFAS" means PFAS in an amount such that the presence, individual concentrations, and total concentrations can be assessed by a laboratory method certified by the United States Environmental Protection Agency or approved by the Department.

SECTION 17.(h) This section becomes effective July 1, 2023.

PART VIII. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 18. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

SECTION 19. Except as otherwise provided, this act is effective when it becomes law.

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