

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 600  
Committee Substitute Favorable 5/3/23  
Third Edition Engrossed 5/4/23  
PROPOSED SENATE COMMITTEE SUBSTITUTE H600-PCS40499-BR-19

Short Title: Regulatory Reform Act of 2023.

(Public)

Sponsors:

Referred to:

April 17, 2023

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. AGRICULTURE, ENERGY, ENVIRONMENT, AND NATURAL RESOURCES**  
7 **PROVISIONS**

8  
9 **WATER SUPPLY WATERSHED PROTECTION CHANGES**

10 **SECTION 1.** G.S. 143-214.5 reads as rewritten:

11 "**§ 143-214.5. Water supply watershed protection.**

12 ...  
13 (d3) A local government implementing a water supply watershed program shall allow an  
14 applicant to exceed the allowable density under the applicable water supply watershed rules if all  
15 of the following circumstances apply:

- 16 (1) The property was developed prior to the effective date of the local water  
17 supply watershed program.  
18 (2) The property has not been combined with additional lots after January 1, 2021.  
19 (3) The property has not been a participant in a density averaging transaction  
20 under subsection (d2) of this section.  
21 (4) The current use of the property is nonresidential.  
22 (5) ~~In the sole discretion, and at the voluntary election,~~ At the election of the  
23 property owner, the stormwater from ~~all of the existing and new any net~~  
24 increase in built-upon area on the property above the preexisting development  
25 is treated in accordance with all applicable local government, State, and  
26 federal laws and regulations.  
27 (6) The remaining vegetated buffers on the property are preserved in accordance  
28 with the local water supply watershed protection program requirements.

29 ...."

30  
31 **STORMWATER PROGRAM CHANGES**

32 **SECTION 2.** G.S. 143-214.7 reads as rewritten:

33 "**§ 143-214.7. Stormwater runoff rules and programs.**

34 ...



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1 (b2) For purposes of implementing stormwater programs, "built-upon area" means  
2 impervious surface and partially impervious surface to the extent that the partially impervious  
3 surface does not allow water to infiltrate through the surface and into the subsoil. "Built-upon  
4 area" does not include a slatted deck; the water area of a swimming pool; a surface of number 57  
5 stone, as designated by the American Society for Testing and Materials, laid at least four inches  
6 thick over a geotextile fabric; a trail as defined in G.S. 113A-85 that is either unpaved or paved  
7 as long as the pavement is porous with a hydraulic conductivity greater than 0.001 centimeters  
8 per second (1.41 inches per hour); or landscaping material, including, but not limited to, gravel,  
9 mulch, sand, and vegetation, placed on areas that receive pedestrian or bicycle traffic or on  
10 portions of driveways and parking areas that will not be compacted by the weight of a vehicle,  
11 such as the area between sections of pavement that support the weight of a vehicle. The owner  
12 or developer of a property may opt out of any of the exemptions from "built-upon area" set out  
13 in this subsection. For State stormwater programs and local stormwater programs approved  
14 pursuant to subsection (d) of this section, all of the following shall apply:

15 ...

- 16 (2) Development may occur within the area that would otherwise be required to  
17 be placed within a vegetative buffer required by the Commission pursuant to  
18 G.S. 143-214.1 and G.S. 143-214.7 provided the stormwater runoff from the  
19 entire impervious area of the development is collected, treated, and discharged  
20 so that it passes through a segment of the vegetative buffer and is managed so  
21 that it otherwise complies with all applicable State and federal stormwater  
22 management requirements. For the purpose of this subdivision, the entire  
23 impervious area of the development shall not include any portion of a project  
24 that is within a North Carolina Department of Transportation or municipal  
25 right-of-way.

26 ...

27 (b3) Stormwater runoff rules and programs shall not require private property owners to  
28 install new or increased stormwater controls for (i) preexisting development or (ii)  
29 redevelopment activities that do not remove or decrease existing stormwater controls. When a  
30 preexisting development is redeveloped, either in whole or in part, increased stormwater controls  
31 shall only be required for the amount of impervious surface being created that exceeds the amount  
32 of impervious surface that existed before the ~~redevelopment~~. Provided, however, a  
33 redevelopment, irrespective of whether the impervious surface that existed before the  
34 redevelopment is to be demolished or relocated during the development activity. A property  
35 owner may voluntarily elect to treat all the stormwater from resulting from the net increase in  
36 built-upon area above the preexisting development or redevelopment activities described herein  
37 for the purpose of exceeding allowable density under the applicable water supply watershed rules  
38 as provided in G.S. 143-214.5(d3). This subsection applies to all local governments regardless  
39 of the source of their regulatory authority. Local governments shall include the requirements of  
40 this subsection in their stormwater ordinances.

41 ...

42 (b5) An applicant for a new stormwater permit, or the reissuance of a permit due to  
43 transfer, modification, or renewal, shall have the option to submit a permit application for  
44 processing to (i) the Department, (ii) a unit of local government with permitting authority in  
45 whose jurisdiction the project to be permitted is located, or (iii), where a unit of local government  
46 with permitting authority in whose jurisdiction the project to be permitted is located has  
47 established a joint program with one or more units of local government pursuant to subsection  
48 (c) of this section, other local governments in the joint program.

49 (c) The Commission shall develop model stormwater management programs that may be  
50 implemented by State agencies and units of local government. Model stormwater management  
51 programs shall be developed to protect existing water uses and assure compliance with water

1 quality standards and classifications. A State agency or unit of local government may submit to  
 2 the Commission for its approval a stormwater control program or a stormwater permitting  
 3 program for implementation within its jurisdiction. To this end, State agencies may adopt rules,  
 4 and units of local government are authorized to adopt ordinances and regulations necessary to  
 5 establish and enforce stormwater control ~~programs.~~ programs and stormwater permitting  
 6 programs. Units of local government are authorized to create or designate agencies or  
 7 subdivisions to administer and enforce the programs. Two or more units of local government are  
 8 authorized to establish a joint program or a joint stormwater permitting program and to enter into  
 9 any agreements that are necessary for the proper administration and enforcement of the program.  
 10 ...."

11  
 12 **AMEND STORMWATER FEE CONSIDERATIONS**

13 **SECTION 3.(a)** G.S. 160A-314(a1) reads as rewritten:

- 14 "(a1) (1) Before it establishes or revises a schedule of rates, fees, charges, or penalties  
 15 for stormwater management programs and structural and natural stormwater  
 16 and drainage systems under this section, the city council shall hold a public  
 17 hearing on the matter. A notice of the hearing shall be given at least once in a  
 18 newspaper having general circulation in the area, not less than seven days  
 19 before the public hearing. The hearing may be held concurrently with the  
 20 public hearing on the proposed budget ordinance.  
 21 (2) The fees established under this subsection must be made applicable  
 22 throughout the area of the city. Schedules of rates, fees, charges, and penalties  
 23 for providing stormwater management programs and structural and natural  
 24 stormwater and drainage system service may vary according to whether the  
 25 property served is residential, commercial, or industrial property, the  
 26 property's use, the size of the property, the area of impervious surfaces on the  
 27 property, the quantity and quality of the runoff from the property, stormwater  
 28 control measures in use by the property, the characteristics of the watershed  
 29 into which stormwater from the property drains, and other factors that affect  
 30 the stormwater drainage system. Rates, fees, and charges imposed under this  
 31 subsection may not exceed the city's cost of providing a stormwater  
 32 management program and a structural and natural stormwater and drainage  
 33 system. The city's cost of providing a stormwater management program and a  
 34 structural and natural stormwater and drainage system includes any costs  
 35 necessary to assure that all aspects of stormwater quality and quantity are  
 36 managed in accordance with federal and State laws, regulations, and rules.

37 ...."

38 **SECTION 3.(b)** G.S. 153A-277(a1) reads as rewritten:

- 39 "(a1) (1) Before it establishes or revises a schedule of rates, fees, charges, or penalties  
 40 for stormwater management programs and structural and natural stormwater  
 41 and drainage systems under this section, the board of commissioners shall  
 42 hold a public hearing on the matter. A notice of the hearing shall be given at  
 43 least once in a newspaper having general circulation in the area, not less than  
 44 seven days before the public hearing. The hearing may be held concurrently  
 45 with the public hearing on the proposed budget ordinance.  
 46 (2) The fees established under this subsection must be made applicable  
 47 throughout the area of the county outside municipalities. Schedules of rates,  
 48 fees, charges, and penalties for providing stormwater management programs  
 49 and structural and natural stormwater and drainage system service may vary  
 50 according to whether the property served is residential, commercial, or  
 51 industrial property, the property's use, the size of the property, the area of

1 impervious surfaces on the property, the quantity and quality of the runoff  
2 from the property, stormwater control measures in use by the property, the  
3 characteristics of the watershed into which stormwater from the property  
4 drains, and other factors that affect the stormwater drainage system. Rates,  
5 fees, and charges imposed under this subsection may not exceed the county's  
6 cost of providing a stormwater management program and a structural and  
7 natural stormwater and drainage system. The county's cost of providing a  
8 stormwater management program and a structural and natural stormwater and  
9 drainage system includes any costs necessary to assure that all aspects of  
10 stormwater quality and quantity are managed in accordance with federal and  
11 State laws, regulations, and rules.

12 ...."

13 **SECTION 3.(c)** This section is effective when it becomes law and applies to  
14 stormwater program amendments and stormwater fee schedules adopted on or after that date.

### 15 16 **EXEMPTION FROM REQUIREMENTS OF POST-CONSTRUCTION STORMWATER** 17 **RULE**

18 **SECTION 4.(a)** Definitions. – For purposes of this section, "Post-Construction  
19 Stormwater Rule" means 15A NCAC 02H .1001 (Post-Construction Stormwater Management:  
20 Purpose and Scope).

21 **SECTION 4.(b)** Post-Construction Stormwater Rule. – Until the effective date of  
22 the revised permanent rule that the Environmental Management Commission is required to adopt  
23 pursuant to subsection (d) of this section, the Commission shall implement the Post-Construction  
24 Stormwater Rule as provided in subsection (c) of this section.

25 **SECTION 4.(c)** Implementation. – Linear transportation projects undertaken by an  
26 entity other than the North Carolina Department of Transportation, which are part of a common  
27 plan of development, shall be exempt from the requirements of the Post-Construction Stormwater  
28 Rule.

29 **SECTION 4.(d)** Additional Rulemaking Authority. – The Commission shall adopt  
30 a rule to amend the Post-Construction Stormwater Rule consistent with subsection (c) of this  
31 section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this  
32 section shall be substantively identical to the provisions of subsection (c) of this section. Rules  
33 adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the  
34 General Statutes. Rules adopted pursuant to this section shall become effective as provided in  
35 G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in  
36 G.S. 150B-21.3(b2).

37 **SECTION 4.(e)** Sunset. – This section expires when permanent rules adopted as  
38 required by subsection (d) of this section become effective.

### 39 40 **MODIFY CERTAIN RULES RELATED TO DEVELOPMENT DENSITY IN WATER** 41 **SUPPLY WATERSHEDS, AS APPLICABLE IN IREDELL COUNTY AND THE TOWN** 42 **OF MOORESVILLE**

43 **SECTION 5.(a)** Definitions. – For purposes of this section and its implementation,  
44 "Water Supply Watershed Project Density Rule" means 15A NCAC 02B .0624 (Water Supply  
45 Watershed Protection Program: Nonpoint Source and Stormwater Pollution Control).

46 **SECTION 5.(b)** Water Supply Watershed Project Density Rule. – Until the effective  
47 date of the revised permanent rule that the Environmental Management Commission is required  
48 to adopt pursuant to subsection (d) of this section, the Commission shall implement the Water  
49 Supply Watershed Project Density Rule as provided in subsection (c) of this section.

50 **SECTION 5.(c)** Implementation. – Notwithstanding 15A NCAC 02B .0624(7),  
51 Iredell County and the Town of Mooresville may regulate new development outside of WS-I

1 watersheds and the critical areas of WS-II, WS-III, and WS-IV watersheds in accordance with  
2 the following requirement: a maximum of twenty percent (20%) of the land area of a water supply  
3 watershed outside of the critical area and within the local government's planning jurisdiction may  
4 be developed with new development projects and expansions of existing development of up to  
5 seventy percent (70%) built-upon area.

6 **SECTION 5.(d)** Additional Rulemaking Authority. – The Commission shall adopt  
7 a rule to amend the Water Supply Watershed Project Density Rule consistent with subsection (c)  
8 of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant  
9 to this section shall be substantively identical to the provisions of subsection (c) of this section.  
10 Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of  
11 the General Statutes. Rules adopted pursuant to this section shall become effective as provided  
12 in G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided  
13 in G.S. 150B-21.3(b2).

14 **SECTION 5.(e)** Sunset. – This section expires when permanent rules adopted as  
15 required by subsection (d) of this section become effective.

## 16 17 **PHASED-IN MANDATORY COMMERCIAL AND RECREATIONAL REPORTING** 18 **OF CERTAIN FISH HARVESTS**

19 **SECTION 6.(a)** G.S. 113-170.3 reads as rewritten:

20 "**§ 113-170.3. Record-keeping ~~requirements~~requirements; mandatory reporting for**  
21 **certain fisheries.**

22 ...

23 (d) Any person who recreationally harvests a marine or estuarine resource listed in this  
24 subsection from coastal fishing waters, joint fishing waters, and inland fishing waters adjacent to  
25 coastal fishing waters shall report that harvest to the Division of Marine Fisheries within the  
26 Department of Environment Quality in a manner consistent with rules adopted by the Marine  
27 Fisheries Commission. The harvest of the following finfish species shall be reported:

- 28 (1) Red Drum.
- 29 (2) Flounder.
- 30 (3) Spotted Seatrout.
- 31 (4) Striped Bass.
- 32 (5) Weakfish.

33 (e) Any person holding a commercial fishing license engaged in a commercial fishing  
34 operation who harvests any fish, regardless of sale, shall report that harvest to the Division of  
35 Marine Fisheries within the Department of Environmental Quality in a manner consistent with  
36 rules adopted by the Marine Fisheries Commission.

37 (f) Violation of subsection (d) or (e) of this section shall only be punishable by a verbal  
38 warning."

39 **SECTION 6.(b)** G.S. 113-170.3(f), as enacted by subsection (a) of this section, reads  
40 as rewritten:

41 "(f) Violation of subsection (d) or (e) of this section shall only be punishable by a verbal  
42 ~~warning~~issuance of a warning ticket pursuant to G.S. 113-140."

43 **SECTION 6.(c)** G.S. 113-170.3(f), as enacted by subsection (b) of this section, reads  
44 as rewritten:

45 "(f) Violation of subsection (d) or (e) of this section shall ~~only be punishable by issuance~~  
46 ~~of a warning ticket pursuant to G.S. 113-140~~be an infraction as provided in G.S. 14-3.1,  
47 punishable by a fine of thirty-five dollars (\$35.00)."

48 **SECTION 6.(d)** The Marine Fisheries Commission shall adopt temporary rules to  
49 implement this section and shall adopt permanent rules to replace the temporary rules. Temporary  
50 rules adopted in accordance with this section shall remain in effect until permanent rules that  
51 replace the temporary rules become effective.

1           **SECTION 6.(e)** Subsection (a) of this section becomes effective December 1, 2024,  
2 and applies to violations committed on or after that date. Subsection (b) of this section becomes  
3 effective December 1, 2025, and applies to violations committed on or after that date. Subsection  
4 (c) of this section becomes effective December 1, 2026, and applies to violations committed on  
5 or after that date. The remainder of this section is effective when it becomes law.

6  
7 **DREDGE PERMIT SHOTCLOCK FOR UNITED STATES COAST GUARD MARKED**  
8 **NAVIGATIONAL CHANNELS**

9           **SECTION 7.** G.S. 113-229 reads as rewritten:

10 **"§ 113-229. Permits to dredge or fill in or about estuarine waters or State-owned lakes.**

11           (a) Except as hereinafter provided before any excavation or filling project is begun in any  
12 estuarine waters, tidelands, marshlands, or State-owned lakes, the party or parties desiring to do  
13 such shall first obtain a permit from the Department. Granting of the State permit shall not relieve  
14 any party from the necessity of obtaining a permit from the United States Army Corps of  
15 Engineers for work in navigable waters, if the same is required. The Department shall continue  
16 to coordinate projects pertaining to navigation with the United States Army Corps of Engineers.

17           ...

18           (e) Applications for permits except special emergency permit applications shall be  
19 circulated by the Department among all State agencies and, in the discretion of the Secretary,  
20 appropriate federal agencies having jurisdiction over the subject matter which might be affected  
21 by the project so that such agencies will have an opportunity to raise any objections they might  
22 have. The Department may deny an application for a dredge or fill permit upon finding: (1) that  
23 there will be significant adverse effect of the proposed dredging and filling on the use of the  
24 water by the public; or (2) that there will be significant adverse effect on the value and enjoyment  
25 of the property of any riparian owners; or (3) that there will be significant adverse effect on public  
26 health, safety, and welfare; or (4) that there will be significant adverse effect on the conservation  
27 of public and private water supplies; or (5) that there will be significant adverse effect on wildlife  
28 or fresh water, estuarine or marine fisheries. In the absence of such findings, a permit shall be  
29 granted. Such permit may be conditioned upon the applicant amending his proposal to take  
30 whatever measures are reasonably necessary to protect the public interest with respect to the  
31 factors enumerated in this subsection. Permits may allow for projects granted a permit the right  
32 to maintain such project for a period of up to 10 years. The right to maintain such project shall  
33 be granted subject to such conditions as may be reasonably necessary to protect the public  
34 interest. The Coastal Resources Commission shall coordinate the issuance of permits under this  
35 section and G.S. 113A-118 and the granting of variances under this section and G.S. 113A-120.1  
36 to avoid duplication and to create a single, expedited permitting process. The Coastal Resources  
37 Commission may adopt rules interpreting and applying the provisions of this section and rules  
38 specifying the procedures for obtaining a permit under this section. Maintenance work as defined  
39 in this subsection shall be limited to such activities as are required to maintain the project  
40 dimensions as found in the permit granted. The Department shall act on an application for permit  
41 within 75 days after the completed application is filed, provided the Department may extend such  
42 deadline by not more than an additional 75 days if necessary to properly ~~to~~ consider the  
43 application, except for applications for a special emergency permit, in which case the Department  
44 shall act within two working days after an application is filed, and failure to so act shall  
45 automatically approve the application. The Department shall act on an application for a permit  
46 for activities in a United States Coast Guard marked navigational channel within 30 days after  
47 the completed application is filed, provided the Department may extend such deadline by not  
48 more than an additional 30 days if necessary to properly consider the application, and failure to  
49 so act shall automatically approve the application.

50           ...."  
51

1 **ESTABLISH REQUIREMENTS FOR ISSUANCE OF 401 CERTIFICATIONS BY THE**  
2 **DEPARTMENT OF ENVIRONMENTAL QUALITY**

3 **SECTION 7.1.(a)** Article 21 of Chapter 143 of the General Statutes is amended by  
4 adding a new section to read:

5 **"§ 143-214.1A. Water quality certifications.**

6 The following requirements shall govern applications for certification filed with the  
7 Department pursuant to section 401 of the Clean Water Act, 33 U.S.C. § 1341(a)(1):

- 8 (1) Within 30 days of the filing of such application, the Department shall (i)  
9 determine whether or not the application is complete and notify the applicant  
10 accordingly and (ii), if the Department determines an application is  
11 incomplete, specify all such deficiencies in the notice to the applicant. The  
12 applicant may file an amended application or supplemental information to  
13 cure the deficiencies identified by the Department for the Department's  
14 review. If the Department fails to issue a notice as to whether or not the  
15 application is complete within the requisite 30-day period, the application  
16 shall be deemed complete.
- 17 (2) Within 60 days of the filing of a completed application, the Department shall  
18 either approve or deny the application. Failure of the Department to act within  
19 the requisite 60-day period shall result in a waiver of the certification  
20 requirement by the State, unless the applicant agrees, in writing, to an  
21 extension of time, which shall not exceed one year from the State's receipt of  
22 the application for certification. The 60-day review period established by this  
23 subdivision shall constitute the "reasonable period of time" for State action on  
24 an application for purposes of 33 U.S.C. § 1341(a)(1), absent a negotiated  
25 agreement with the United States Environmental Protection Agency to extend  
26 that time frame for a period not to exceed one year.
- 27 (3) Department review of applications for certification shall be limited to water  
28 quality impacts from point source discharges from the proposed project into  
29 navigable waters located within the State and shall not consider water quality  
30 impacts from the activity as a whole.
- 31 (4) The Department shall issue a certification upon determining that the proposed  
32 discharge from a point source of the proposed project into navigable waters  
33 will comply with State water quality standards.
- 34 (5) The Department may issue or deny an application, or waive certification, but  
35 shall not require an applicant to withdraw an application."

36 **SECTION 7.1.(b)** This section is effective when it becomes law and applies to  
37 applications for 401 Certification pending or submitted on or after that date.

38  
39 **DEQ TO REQUEST USEPA APPROVAL TO REQUIRE ADOPTION OF WATER**  
40 **QUALITY CRITERIA FOR SPECIFIC POLLUTANTS TO ESTABLISH EFFLUENT**  
41 **STANDARDS IN PERMITS**

42 **SECTION 7.2.(a)** G.S. 143-215 reads as rewritten:

43 **"§ 143-215. Effluent standards or limitations.**

44 (a) The Commission is authorized and directed to develop, adopt, modify and revoke  
45 effluent standards or limitations and waste treatment management practices as it determines  
46 necessary to prohibit, abate, or control water pollution. The effluent standards or limitations and  
47 management practices may provide, without limitation, standards or limitations or management  
48 practices for any point source or sources; standards, limitations, management practices, or  
49 prohibitions for toxic wastes or combinations of toxic wastes discharged from any point source  
50 or sources; and pretreatment standards for wastes discharged to any disposal system subject to  
51 effluent standards or limitations or management practices.

1 (b) The effluent standards or limitations developed and adopted by the Commission shall  
2 provide limitations upon the effluents discharged from pretreatment facilities and from outlets  
3 and point sources to the waters of the State adequate to limit the waste loads upon the waters of  
4 the State to the extent necessary to maintain or enhance the chemical, physical, biological and  
5 radiological integrity of the waters. The management practices developed and adopted by the  
6 Commission shall prescribe practices necessary to be employed in order to prevent or reduce  
7 contribution of pollutants to the State's waters.

8 (c) Except as required by section 402(o) of the federal Clean Water Act (33 U.S.C. §  
9 1342(o)), no numeric effluent standard or limitation for a pollutant shall be included in a water  
10 quality permit issued pursuant to this Article unless a numeric water quality criterion for the  
11 pollutant has been established by rule in compliance with the requirements of Article 2A of  
12 Chapter 150B of the General Statutes."

13 **SECTION 7.2.(b)** No later than August 1, 2023, the Department of Environmental  
14 Quality shall prepare and submit to the United States Environmental Protection Agency for  
15 approval by that agency proposed changes to G.S. 143-215, as amended by subsection (a) of this  
16 section.

17 **SECTION 7.2.(c)** Subsection (a) of this section becomes effective on the later of the  
18 following dates:

19 (1) October 1, 2023.

20 (2) The first day of a month that is 60 days after the Secretary of the Department  
21 of Environmental Quality certifies to the Revisor of Statutes that the United  
22 States Environmental Protection Agency has approved an amendment to  
23 G.S. 143-215, as amended by subsection (a) of this section, as required by  
24 subsection (b) of this section. The Secretary shall provide this notice along  
25 with the effective date of this act on its website.

26 **SECTION 7.2.(d)** The Department of Environmental Quality shall report to the Joint  
27 Legislative Commission on Government Operations on the status of their activities pursuant to  
28 subsection (c) of this section quarterly, beginning September 1, 2023, until such time as the  
29 General Assembly repeals this reporting requirement.

### 30 31 **ENVIRONMENTAL MANAGEMENT COMMISSION TO STUDY NARRATIVE** 32 **WATER QUALITY STANDARDS**

33 **SECTION 7.3.** The Environmental Management Commission shall review 15A  
34 NCAC 02B .0208 (Standards for Toxic Substances and Temperature) to determine if the  
35 standards and methodologies for establishment of water quality criteria for specific pollutants  
36 included therein are scientifically sound, protective of human health and the environment, and  
37 result in water quality criteria that are technologically achievable without placing undue  
38 economic burdens on publicly owned treatment works and their ratepayers. In its review, the  
39 Commission shall examine (i) other states' narrative water quality standards and identify other  
40 states with more stringent and less stringent narrative standards and (ii) requirements established  
41 by the United States Environmental Protection Agency for development of narrative water  
42 quality standards and water quality criteria by states, as well as any discretion given to states to  
43 set standards and criteria. The Commission shall report its findings, including any  
44 recommendations for legislative action, to the Joint Legislative Commission on Governmental  
45 Operations no later than April 1, 2024.

### 46 47 **SHALLOW DRAFT NAVIGATION CHANNEL DREDGING AND AQUATIC WEED** 48 **FUND CHANGES**

49 **SECTION 8.** G.S. 143-215.73F reads as rewritten:

50 **"§ 143-215.73F. Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund.**



1 (a) Fund Established. – The Shallow Draft Navigation Channel Dredging and Aquatic  
2 Weed Fund is established as a special revenue fund. The Fund consists of fees credited to it under  
3 G.S. 75A-3 and G.S. 75A-38, taxes credited to it under G.S. 105-449.126, and funds contributed  
4 by non-State entities.

5 (b) Uses of Fund. – Revenue in the Fund may only be used for the following purposes:

6 (1) To provide the State's share of the costs associated with any dredging project  
7 designed to keep shallow draft navigation channels located in State waters or  
8 waters of the State located within lakes navigable and safe.

9 (2) For aquatic weed control projects in waters of the State under Article 15 of  
10 Chapter 113A of the General Statutes. Funding for aquatic weed control  
11 projects is limited to one million dollars (\$1,000,000) in each fiscal year.

12 (3) For administrative support of activities related to beach and inlet management  
13 in the State, limited to one hundred thousand dollars (\$100,000) in each fiscal  
14 year.

15 (3a) For administrative support of Fund operations, limited to one hundred  
16 thousand dollars (\$100,000) in each fiscal year.

17 (4) To provide funding for siting and acquisition of dredged disposal ~~easement~~  
18 ~~sites associated with the maintenance of the Atlantic Intracoastal Waterway~~  
19 ~~between the border with the state of South Carolina and the border with the~~  
20 ~~Commonwealth of Virginia, under a Memorandum of Agreement between the~~  
21 ~~State and the federal government sites.~~

22 (5) For assessments and data collection regarding dredge material disposal sites  
23 located in the State.

24 (b1) Grants Authorized. – The Secretary is authorized to accept applications for grants for  
25 nonfederal costs of projects sponsored by (i) units of local government for the purpose set forth  
26 in subdivision (1) of subsection (b) of this section and (ii) units of local government and other  
27 entities for the purpose set forth in subdivision (2) of subsection (b) of this section.

28 (c) Cost-Share. – Any project funded by revenue from the Fund must be cost-shared with  
29 non-State dollars as follows:

30 (1) The cost-share for dredging projects shall be at least one non-State dollar for  
31 every three dollars from the Fund.

32 (2) Repealed by Session Laws 2022-74, s. 12.1(a), effective July 1, 2022.

33 (3) The cost-share for an aquatic weed control project shall be at least one  
34 non-State dollar for every dollar from the Fund. The cost-share for an aquatic  
35 weed control project located within a component of the State Parks System  
36 shall be provided by the Division of Parks and Recreation of the Department  
37 of Natural and Cultural Resources. The Division of Parks and Recreation may  
38 use funds allocated to the State Parks System for capital projects under  
39 G.S. 143B-135.56 for the cost-share.

40 (4) The cost-share for the dredging of the access canal around the Roanoke Island  
41 Festival Park shall be paid from the Historic Roanoke Island Fund established  
42 by G.S. 143B-131.8A.

43 (c1) Cost-Share Exemption for DOT Ferry Channel Projects. – Notwithstanding the  
44 cost-share requirements of subdivision (1) of subsection (c) of this section, no cost-share shall be  
45 required for dredging projects located, in whole or part, in a development tier one area for a ferry  
46 channel used by the North Carolina Department of Transportation.

47 (d) Return of Non-State Entity Funds. – Non-State entities that contribute to the Fund for  
48 a particular project or group of projects may make a written request to the Secretary that the  
49 contribution be returned if the contribution has not been spent or encumbered within two years  
50 of receipt of the contribution by the Fund. If the written request is made prior to the funds being  
51 spent or encumbered, the Secretary shall return the funds to the entity within 30 days after the

1 later of (i) receiving the request or (ii) the expiration of the two-year period described by this  
2 subsection.

3 (e) Definitions. – For purposes of this section, "shallow draft navigation channel" means  
4 (i) a waterway connection with a maximum depth of ~~16 feet~~ 18 feet, inclusive of the depth of  
5 overdepth for navigational depth compliance, between the Atlantic Ocean and a bay or the  
6 Atlantic Intracoastal Waterway, (ii) a river entrance to the Atlantic Ocean through which tidal  
7 and other currents flow, or (iii) other interior coastal waterways. The term includes the Atlantic  
8 Intracoastal Waterway and its side channels, Beaufort Harbor, Bogue Inlet, Carolina Beach Inlet,  
9 Mason Inlet, Rich Inlet, Tubbs Inlet, the channel from Back Sound to Lookout Back, channels  
10 connected to federal navigation channels, Lockwoods Folly River, Manteo/Shallowbag Bay,  
11 Southport Small Boat Harbors, including Oregon Inlet, Masonboro Inlet, New River, New  
12 Topsail Inlet, Rodanthe, Hatteras Inlet, Rollinson, Shallotte River, Silver Lake Harbor, and the  
13 waterway connecting Pamlico Sound and Beaufort Harbor.

14 ...."

## 15 16 **SHALLOW DRAFT RULES APPLICABILITY CHANGE**

17 **SECTION 8.5.(a)** Definitions. – For purposes of this section, "Shallow Draft  
18 Applicability Rule" means 15A NCAC 01T .0201 (Applicability).

19 **SECTION 8.5.(b)** Shallow Draft Applicability Rule. – Until the effective date of the  
20 revised permanent rule that the Department of Environmental Quality is required to adopt  
21 pursuant to subsection (d) of this section, the Department shall implement the Shallow Draft  
22 Applicability Rule as provided in subsection (c) of this section.

23 **SECTION 8.5.(c)** Implementation. – The rules that apply to the Shallow Draft  
24 Navigation Channel Dredging Fund shall apply to projects funded by the Fund that are related to  
25 dredging federally authorized channels where the work is performed by the United States Army  
26 Corps of Engineers.

27 **SECTION 8.5.(d)** Additional Rulemaking Authority. – The Department shall adopt  
28 a rule to amend the Shallow Draft Applicability Rule consistent with subsection (c) of this  
29 section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Department pursuant to this  
30 section shall be substantively identical to the provisions of subsection (c) of this section. Rules  
31 adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the  
32 General Statutes. Rules adopted pursuant to this section shall become effective as provided in  
33 G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in  
34 G.S. 150B-21.3(b2).

35 **SECTION 8.5.(e)** Sunset. – This section expires when permanent rules adopted as  
36 required by subsection (d) of this section become effective.

## 37 38 **FLOTATION DEVICES REQUIREMENTS**

39 **SECTION 9.(a)** Article 21 of Chapter 143 of the General Statutes is amended by  
40 adding a new Part to read:

41 "Part 12. Submersible Polystyrene Devices.

### 42 **"§ 143-215.75A. Definitions.**

43 The following definitions apply in this Article:

- 44 (1) Department. – The Department of Environmental Quality.
- 45 (2) Dock. – An unenclosed structure used for mooring boats or for similar  
46 recreational uses, such as sunbathing or as a swimming platform, which may  
47 either float or be secured to the adjacent or underlying land.
- 48 (3) Encapsulated. – A protective covering or physical barrier between the  
49 polystyrene device and the water.
- 50 (4) Float or floating structure. – A structure supported by polystyrene foam  
51 flotation and held in place by piling and mooring devices, including

1 boathouses, floating homes, marinas, walkways, boarding floats, or  
2 combination thereof.

3 (5) Fuel float. – Any floating structure used to dispense any form of fuel or used  
4 to store, maintain, or repair boat engines.

5 (6) Polystyrene foam flotation. – All products manufactured from expanded  
6 polystyrene foam beads with cell diameters of at least 0.125 inches used for  
7 flotation.

8 (7) Repair or maintenance. – The reconstruction or renewal of any part of an  
9 existing floating structure for the purpose of its maintenance.

10 (8) Submersible polystyrene device. – Any molded or expanded type of  
11 polystyrene foam used for flotation.

12 **"§ 143-215.75B. Encapsulation and design requirements for submersible polystyrene**  
13 **devices.**

14 (a) Except as provided in subsection (b) of this section, no person shall install a  
15 submersible polystyrene device on a dock, buoy, or float unless the device is encapsulated by a  
16 protective covering or designed to prevent the polystyrene from disintegrating into the waters of  
17 the State.

18 (b) The requirements of this section do not apply to any of the following:

19 (1) Construction, maintenance, or operation of boats or vessels.

20 (2) Polystyrene foam devices manufactured into extruded closed cell beads of no  
21 more than 0.125 inches in diameter.

22 (c) Any of the following methods of encapsulation shall be considered sufficient to meet  
23 the requirements of this section:

24 (1) Concrete of at least 1 inch in thickness.

25 (2) Galvanized steel of at least 0.065 inches or 16 gauge in thickness.

26 (3) Liquid coatings of at least 0.03 inches in thickness, chemically or securely  
27 bonded to the polystyrene foam flotation.

28 (4) Rigid plastics of at least 0.05 inches in thickness.

29 (5) Fiberglass or plastic resins of at least 0.03 inches in thickness, chemically or  
30 securely bonded to the polystyrene foam flotation.

31 **"§ 143-215.75C. Polystyrene containment requirement for construction and maintenance**  
32 **activities.**

33 Any polystyrene foam flotation or part thereof installed, removed, replaced, or repaired  
34 during construction or maintenance activities must be effectively contained. All unused or  
35 replaced polystyrene foam must be removed from the waters of the State and lawfully disposed.

36 **"§ 143-215.75D. Requirements for polystyrene foam on fuel floats.**

37 All polystyrene foam flotation used on fuel floats or floating structures used to store,  
38 maintain, or repair boat engines must be encapsulated with materials that are not subject to  
39 degradation by fuel oils or products.

40 **"§ 143-215.75E. Prohibited sales.**

41 No person shall sell any polystyrene foam buoys, markers, ski floats, bumpers, fish trap  
42 markers, or similar devices unless encapsulated by a protective covering in accordance with this  
43 Article and rules adopted by the Department to implement this Article.

44 **"§ 143-215.75F. Rulemaking authority.**

45 The Department shall adopt rules to implement this Article."

46 **SECTION 9.(b)** This section becomes effective January 1, 2025, and applies to any  
47 polystyrene foam flotation sold or used in the State after that date.

49 **ADD NEW PROCEDURAL REQUIREMENTS FOR COASTAL AREA**  
50 **MANAGEMENT ACT GUIDELINES**

51 **SECTION 10.(a)** G.S. 113A-107 reads as rewritten:

1 **"§ 113A-107. State guidelines for the coastal area.**

2 (a) State guidelines for the coastal area shall consist of statements of objectives, policies,  
3 and standards to be followed in public and private use of land and water areas within the coastal  
4 area. Such guidelines shall be consistent with the goals of the coastal area management system  
5 as set forth in G.S. 113A-102. They shall give particular attention to the nature of development  
6 which shall be appropriate within the various types of areas of environmental concern that may  
7 be designated by the Commission under Part 3. Land and water areas addressed in the State  
8 guidelines may include underground areas and resources, and airspace above the land and water,  
9 as well as the surface of the land and surface waters. Such guidelines shall be used in the review  
10 of applications for permits issued pursuant to this Article and for review of and comment on  
11 proposed public, private and federal agency activities that are subject to review for consistency  
12 with State guidelines for the coastal area. Such comments shall be consistent with federal laws  
13 and regulations.

14 (b) The Commission shall be responsible for the preparation, adoption, and amendment  
15 of the State guidelines. In exercising this function it shall be furnished such staff assistance as it  
16 requires by the Secretary of Environmental Quality and the Secretary of the Department of  
17 Administration, together with such incidental assistance as may be requested of any other State  
18 department or agency.

19 (c) The Commission shall mail proposed as well as adopted rules establishing guidelines  
20 for the coastal area to all cities, counties, and lead regional organizations within the area and to  
21 all State, private, federal, regional, and local agencies the Commission considers to have special  
22 expertise on the coastal area. A person who receives a proposed rule may send written comments  
23 on the proposed rule to the Commission within 30 days after receiving the proposed rule. The  
24 Commission shall consider any comments received in determining whether to adopt the proposed  
25 rule.

26 (d), (e) Repealed by Session Laws 1987, c. 827, s. 134.

27 (f) The Commission shall review its rules establishing guidelines for the coastal area at  
28 least every five years to determine whether changes in the rules are needed.

29 (g) All State guidelines, statements of objectives, policies, and standards to be followed  
30 in the use of land and water within the coastal area shall directly reference the enabling statute  
31 or rule and be available to the public on the Department's website."

32 **SECTION 10.(b)** G.S. 113A-110 reads as rewritten:

33 **"§ 113A-110. Land-use plans.**

34 (a) A land-use plan for a county shall, for the purpose of this Article, consist of written  
35 statements of objectives, policies, and standards to be followed in public and private use of land  
36 within the county, which shall be supplemented by maps showing the appropriate location of  
37 particular types of land or water use and their relationships to each other and to public facilities  
38 and by specific criteria for particular types of land or water use in particular areas. The plan shall  
39 give special attention to the protection and appropriate development of areas of environmental  
40 concern designated under Part 3. The plan shall be consistent with the goals of the coastal area  
41 management system as set forth in G.S. 113A-102 and with the State guidelines adopted by the  
42 Commission under G.S. 113A-107. The plan shall be adopted, and may be amended from time  
43 to time, in accordance with the procedures set forth in this section.

44 ...."

45 **SECTION 10.(c)** G.S. 113A-120 reads as rewritten:

46 **"§ 113A-120. Grant or denial of permits.**

47 (a) The responsible official or body shall deny an application for a permit upon finding:

48 (1) In the case of coastal wetlands, that the development would contravene an  
49 order that has been or could be issued pursuant to G.S. 113-230.

50 (2) In the case of estuarine waters, that a permit for the development would be  
51 denied pursuant to G.S. 113-229(e).

- 1 (3) In the case of a renewable resource area, that the development will result in
- 2 loss or significant reduction of continued long-range productivity that would
- 3 jeopardize one or more of the water, food or fiber requirements of more than
- 4 local concern identified in subdivisions a through c of G.S. 113A-113(b)(3).
- 5 (4) In the case of a fragile or historic area, or other area containing environmental
- 6 or natural resources of more than local significance, that the development will
- 7 result in major or irreversible damage to one or more of the historic, cultural,
- 8 scientific, environmental or scenic values or natural systems identified in
- 9 subdivisions a through h of G.S. 113A-113(b)(4).
- 10 (5) In the case of areas covered by G.S. 113A-113(b)(5), that the development
- 11 will jeopardize the public rights or interests specified in said subdivision.
- 12 (6) In the case of natural hazard areas, that the development would occur in one
- 13 or more of the areas identified in subdivisions a through e of
- 14 G.S. 113A-113(b)(6) in such a manner as to unreasonably endanger life or
- 15 property.
- 16 (7) In the case of areas which are or may be impacted by key facilities, that the
- 17 development is inconsistent with the written State guidelines or the local
- 18 land-use plans, or would contravene any of the provisions of subdivisions (1)
- 19 to (6) of this subsection.
- 20 (8) In any case, that the development is inconsistent with the written State
- 21 guidelines or the local land-use plans.
- 22 (9) In any case, that considering engineering requirements and all economic costs
- 23 there is a practicable alternative that would accomplish the overall project
- 24 purposes with less adverse impact on the public resources.
- 25 (10) In any case, that the proposed development would contribute to cumulative
- 26 effects that would be inconsistent with the written guidelines set forth in
- 27 subdivisions (1) through (9) of this subsection. Cumulative effects are impacts
- 28 attributable to the collective effects of a number of projects and include the
- 29 effects of additional projects similar to the requested permit in areas available
- 30 for development in the vicinity.

31 ...."

32  
 33 **REQUIRE STATUTORY OR REGULATORY CITATION FOR ANY CONDITIONS IN**  
 34 **A PERMIT ISSUED BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY**

35 **SECTION 10.5.** Article 7 of Chapter 143B of the General Statutes is amended by  
 36 adding a new section to read:

37 **"§ 143B-279.4A. Requirement for Department-issued permits to include statutory or**  
 38 **regulatory authority for conditions.**

39 The Department shall include in any permit issued by the Department the statutory or  
 40 regulatory authority for each permit condition required by the Department."

41  
 42 **REVISE 2020 FARM ACT TMDL TRANSPORT FACTOR CALCULATION**  
 43 **APPLICABILITY**

44 **SECTION 11.** Section 15 of S.L. 2020-18 reads as rewritten:

45 **"SECTION 15.(a)** Notwithstanding 15A NCAC 02B .0701 (Nutrient Strategies  
 46 Definitions), 15A NCAC 02B .0703 (Nutrient Offset Credit Trading), and 15A NCAC 02B .0713  
 47 (Neuse Nutrient Strategy: Wastewater Discharge Requirements), nutrient offset credits shall be  
 48 applied to a wastewater permit by applying the TMDL transport factor to the permitted  
 49 wastewater discharge and to the nutrient offset ~~credits~~credits as specified in the 1999 Phase I  
 50 TMDL.

1 ~~"SECTION 15.(b) Subsection (a) of this section applies only to wastewater discharge permit~~  
 2 ~~applications for a local government located in the Neuse River Basin with a customer base of~~  
 3 ~~fewer than 15,000 connections.~~

4 ~~"SECTION 15.(c) No later than August 1, 2020, the~~ The Department of Environmental  
 5 Quality, in conjunction with affected parties, ~~shall~~ may begin the modeling necessary to  
 6 determine new transport zones and delivery factors for the Neuse River Basin for point source  
 7 discharges and nutrient offset credits. Once the Department has completed the watershed  
 8 modeling, it shall provide the Environmental Management Commission a list of qualified  
 9 professionals from which the Commission shall select at least two to validate the modeling. If  
 10 each of the professionals selected by the Commission validate the model, the Environmental  
 11 Management Commission shall ~~may~~ use the modeling and other information provided during the  
 12 public comment period to adopt new transport zones and delivery ~~factors~~ factors, if warranted,  
 13 ~~by rule. The Environmental Management Commission may adopt temporary rules to implement~~  
 14 ~~this section.~~

15 ~~"SECTION 15.(d) This section is effective when it becomes law. Subsections (a) and (b)~~  
 16 ~~Subsection (a) of this section shall expire when the rule required by subsection (c) of this section~~  
 17 ~~becomes effective."~~

## 18 19 **CLARIFY CERTAIN ENVIRONMENTAL PERMITTING LAWS APPLICABLE TO** 20 **AGRICULTURAL ACTIVITIES**

21 **SECTION 12.(a)** G.S. 143-215.1 reads as rewritten:

22 **"§ 143-215.1. Control of sources of water pollution; permits required.**

23 (a) Activities for Which Permits Required. – Except as provided in subsection (a6) of this  
 24 section, no person shall do any of the following things or carry out any of the following activities  
 25 unless that person has received a permit from the Commission and has complied with all  
 26 conditions set forth in the permit:

27 ...

28 (12) Construct or operate an animal waste management system, as defined in  
 29 G.S. 143-215.10B, without obtaining a permit under ~~either this Part or Part~~  
 30 1A of this Article.

31 ...."

32 **SECTION 12.(b)** G.S. 143-215.10C reads as rewritten:

33 **"§ 143-215.10C. Applications and permits.**

34 ...

35 (c) The Commission shall act on a permit application as quickly as possible and may  
 36 conduct any inquiry or investigation it considers necessary before acting on an application. No  
 37 permit shall be denied, and no condition shall be attached to a permit, except when the  
 38 Commission finds that the denial or conditions are necessary to effectuate the purposes of this  
 39 Part.

40 ...

41 (j) Any person subject to the requirements of this section who is required to obtain an  
 42 individual or general permit from the Commission for an animal waste management system  
 43 pursuant to this Part shall have a compliance boundary as may be established by rule or permit  
 44 for various categories of animal waste management systems and beyond which groundwater  
 45 quality standards may not be exceeded. Multiple contiguous properties under common ownership  
 46 and permitted for use as an animal waste management system shall be treated as a single property  
 47 for the purposes of determining a compliance boundary and setbacks to property lines.

48 (k) Where operation of an animal waste management system permitted pursuant to this  
 49 section results in the exceedance of groundwater quality standards at or beyond the compliance  
 50 boundary, the Commission shall require the permittee to undertake corrective action, without  
 51 regard to the date the system was first permitted, to restore the groundwater quality by assessing

1 the cause, significance, and extent of the violation of standards and submit the results of the  
2 investigation and a plan, including a proposed schedule, for corrective action to the Secretary.  
3 The permittee shall implement the plan as approved by, and in accordance with, a schedule  
4 established by the Secretary. In establishing a schedule for corrective action, the Secretary shall  
5 consider any reasonable schedule proposed by the permittee.

6 (l) A permit applicant, a permittee, or a third party who is dissatisfied with a decision of  
7 the Commission may commence a contested case by filing a petition under G.S. 150B-23 within  
8 30 days after the Commission notifies the applicant or permittee of its decision. If the permit  
9 applicant, the permittee, or a third party does not file a petition within the required time, the  
10 Commission's decision is final and is not subject to review."

11 **SECTION 12.(c)** The Environmental Management Commission may adopt rules to  
12 implement this section.

13  
14 **PROHIBIT SALE OF NUTRIENT OFFSETS FROM MUNICIPAL NUTRIENT OFFSET**  
15 **BANKS TO ANY ENTITY OTHER THAN A GOVERNMENT ENTITY OR A UNIT OF**  
16 **LOCAL GOVERNMENT**

17 **SECTION 13.(a)** G.S. 143-214.26 reads as rewritten:

18 **"§ 143-214.26. Nutrient offset credits.**

19 (a) Nutrient offset credits may be purchased to offset nutrient loadings to surface waters  
20 as required by the Environmental Management Commission. Nutrient offset credits shall be  
21 effective for the duration of the nutrient offset project unless the Department of Environmental  
22 Quality finds the credits are effective for a limited time period. Nutrient offset projects authorized  
23 under this section shall be consistent with rules adopted by the Commission for implementation  
24 of nutrient management strategies.

25 (b) A government entity, as defined in G.S. 143-214.11, may purchase nutrient offset  
26 credits through either:

27 (1) Participation in a nutrient offset bank that has been approved by the  
28 Department if the Department approves the use of the bank for the required  
29 nutrient offsets.

30 (2) Payment of a nutrient offset fee established by the Department into the  
31 Riparian Buffer Restoration Fund established in G.S. 143-214.21.

32 (c) A party other than a government entity, as defined in G.S. 143-214.11, may purchase  
33 nutrient offset credits through either:

34 (1) Participation in a nutrient offset bank that has been approved by the  
35 Department if the Department approves the use of the bank for the required  
36 nutrient offsets.

37 (2) Payment of a nutrient offset fee established by the Department into the  
38 Riparian Buffer Restoration Fund established in G.S. 143-214.21. This option  
39 is only available to an applicant who demonstrates that the option under  
40 subdivision (1) of this subsection is not available.

41 (d) To offset NPDES-permitted wastewater nutrient sources, credits may only be  
42 acquired from nutrient offset projects located in either of the following areas:

43 (1) The same hydrologic area. For purposes of this subdivision, "hydrologic area"  
44 means an eight-digit cataloging unit designated by the United States  
45 Geological Survey.

46 (2) A location that is downstream from the source and upstream from the water  
47 body identified for restoration under the applicable TMDL or nutrient  
48 management strategy.

49 (e) To offset stormwater or other nutrient sources, credits may only be acquired from an  
50 offset project located within the same hydrologic area, as defined in G.S. 143-214.11.

1 (f) The permissible credit sources identified in subsections (d) and (e) of this section may  
2 be further limited by rule as necessary to achieve nutrient strategy objectives.

3 (g) No nutrient offset bank owned by a unit of local government, as defined in  
4 G.S. 143-214.11, shall sell nutrient offset credits to an entity other than a government entity or a  
5 unit of local government, as those terms are defined in G.S. 143-214.11."

6 **SECTION 13.(b)** This section is effective when it becomes law and applies to the  
7 sale of nutrient offset credits by a nutrient offset bank owned by a unit of local government on or  
8 after that date.

9  
10 **SHORTEN SEPTAGE MANAGEMENT PERMITTING REVIEW AND CLARIFY**  
11 **PUMPER TRUCK FEE**

12 **SECTION 13.5.** G.S. 130A-291.1 reads as rewritten:

13 "**§ 130A-291.1. Septage management program; permit fees.**

14 ...

15 (c) No septage management firm shall commence or continue operation that does not  
16 have a permit issued by the Department. The permit shall be issued only when the septage  
17 management firm satisfies all of the requirements of the rules adopted by the Commission.  
18 Within ~~90~~30 business days of receiving a complete permit application, the Department shall  
19 grant or deny the permit in accordance with G.S. 130A-294(a)(4). If the permit application is  
20 denied, the Department shall return the permit application citing the reasons for the denial in  
21 writing. If the Department does not act on a complete permit application for a new septage firm  
22 within 30 business days, the septage management firm is deemed permitted and may begin  
23 operation if all other requirements of vehicle identification and disposal requirements are met. A  
24 septage management firm that commences operation without first having obtained a permit shall  
25 cease to operate until the firm obtains a permit under this section and shall pay an initial annual  
26 fee equal to twice the amount of the annual fee that would otherwise be applicable under  
27 subsection (e) of this section.

28 ...

29 (e) A septage management firm that operates one pumper truck shall pay an annual fee  
30 of five hundred fifty dollars (\$550.00) to the Department. A septage management firm that  
31 operates two or more pumper trucks shall pay an annual fee of eight hundred dollars (\$800.00)  
32 to the Department. For the purposes of determining the fee assessed pursuant to this subsection,  
33 the number of pumper trucks operated by a septage management firm shall be limited to only  
34 those pumper trucks that transport septage on State-maintained roads.

35 ...."

36  
37 **PROHIBIT COUNTIES FROM REGULATING BY ORDINANCE CERTAIN OFF-SITE**  
38 **WASTEWATER SYSTEMS**

39 **SECTION 14.** G.S. 130A-335(c2) reads as rewritten:

40 "(c2) Notwithstanding any other provision of law, a ~~municipality~~unit of local government  
41 shall not prohibit or regulate by ordinance or enforce an existing ordinance regulating the use of  
42 off-site wastewater systems or other systems approved by the Department under rules adopted  
43 by the Commission when the proposed system meets the specific conditions of the approval."

44  
45 **ALLOW ALTERNATIVE PEAK DAILY SEWAGE FLOW RATES AND PERMIT**  
46 **WASTEWATER TREATMENT SYSTEM EXPANSIONS BEYOND EXISTING**  
47 **ALLOCATION IN CERTAIN CIRCUMSTANCES**

48 **SECTION 15.(a)** G.S. 143-215.1 is amended by adding the following new  
49 subsections to read:

50 "(f3) The permittee for a wastewater treatment system may calculate its wastewater flows  
51 for new dwelling units, including units that have yet to be connected and for which the permittee



1 has allocated capacity, at 75 gallons per day per bedroom, or at a lower rate approved by the  
2 Department.

3 (f4) No permits for sewer line extensions shall be issued to wastewater treatment systems  
4 owned or operated by municipalities, counties, sanitary districts, or public utilities unless the  
5 systems meet the following requirements:

6 (1) Prior to actual flow exceeding eighty percent (80%) of the system's permitted  
7 hydraulic capacity, based on the average flow during the last calendar year,  
8 the permittee shall submit an engineering evaluation of its future wastewater  
9 treatment, utilization, and disposal needs. This evaluation shall outline plans  
10 for meeting future wastewater treatment, utilization, or disposal needs by  
11 either expansion of the existing system, elimination or reduction of extraneous  
12 flows, or water conservation and shall include the source of funding for the  
13 improvements. If expansion is not proposed or is proposed for a later date, a  
14 justification shall be made that wastewater treatment needs will be met based  
15 on past growth records and future growth projections and, as appropriate, shall  
16 include conservation plans or other measures to achieve waste flow  
17 reductions.

18 (2) Prior to actual flow exceeding ninety percent (90%) of the system's permitted  
19 hydraulic capacity, based on the average flow during the last calendar year,  
20 the permittee shall obtain all permits needed for the expansion of the  
21 wastewater treatment, utilization, or disposal system and, if construction is  
22 needed, submit final plans and specifications for expansion, including a  
23 construction schedule. If expansion is not proposed or is proposed for a later  
24 date, a justification shall be made that wastewater treatment needs will be met  
25 based on past growth records and future growth projections and, as  
26 appropriate, shall include conservation plans or other specific measures to  
27 achieve waste flow reductions.

28 (3) The Director shall allow permits to be issued to facilities that are exceeding  
29 the eighty percent (80%) or ninety percent (90%) disposal capacity if the  
30 additional flow is not projected to result in the facility exceeding its permitted  
31 hydraulic capacity, the facility is in compliance with all other permit  
32 limitations and requirements, and adequate progress is being made in  
33 developing the required engineering evaluations or plans and specifications.  
34 In determining the adequacy of the progress, the Director shall consider the  
35 projected flows, the complexity and scope of the work to be completed, and  
36 any projected environmental impacts.

37 (f5) A permittee for a wastewater treatment system, who has signed a contract for the  
38 expansion of its wastewater treatment system, utilization, or disposal system and whose current  
39 system is located in a county with a projected population growth rate above two percent (2%)  
40 annually or is located in one of the top twenty percent (20%) of the fastest growing counties in  
41 the State, by population, and is meeting flow and pollutant discharge limits set out in the system's  
42 current permit, may allocate one hundred ten percent (110%) of its existing system's hydraulic  
43 capacity and increase the allocation amount to one hundred fifteen percent (115%) when the  
44 expansion of its system is within 24 months of completion but may not allocate more than the  
45 permitted projected capacity after expansion without approval by the Department. Nothing in  
46 this subsection shall be construed to limit the Department from authorizing allocations above one  
47 hundred fifteen percent (115%) of a system's hydraulic capacity."

48 **SECTION 15.(b)** The Department of Environmental Quality shall adopt rules to  
49 implement G.S. 143-215.1(f3), as enacted by subsection (a) of this section.  
50

1 **PROHIBIT DISPOSAL OF LITHIUM-ION BATTERIES IN LANDFILLS; LIMIT**  
2 **DISPOSAL OF SOLAR PANELS TO LINED LANDFILLS AND OTHER APPROVED**  
3 **FACILITIES**

4 **SECTION 16.(a)** G.S. 130A-309.10 reads as rewritten:

5 **"§ 130A-309.10. Prohibited acts relating to packaging; coded labeling of plastic containers**  
6 **required; disposal of certain solid wastes in landfills or by incineration**  
7 **prohibited.**

8 ...

9 (f) No person shall knowingly dispose of the following solid wastes in landfills:

10 (1) Repealed by Session Laws 1991, c. 375, s. 1.

11 (2) Used oil.

12 (3) Yard trash, except in landfills approved for the disposal of yard trash under  
13 rules adopted by the Commission. Yard trash that is source separated from  
14 solid waste may be accepted at a solid waste disposal area where the area  
15 provides and maintains separate yard trash composting facilities.

16 (4) White goods.

17 (5) Antifreeze (ethylene glycol).

18 (6) Aluminum cans.

19 (7) Whole scrap tires, as provided in G.S. 130A-309.58(b). The prohibition on  
20 disposal of whole scrap tires in landfills applies to all whole pneumatic rubber  
21 coverings, but does not apply to whole solid rubber coverings.

22 (8) Lead-acid batteries, as provided in G.S. 130A-309.70.

23 (9) Repealed by Session Laws 2011-394, s. 4, effective July 1, 2011.

24 (10) Motor vehicle oil filters.

25 (11) Recyclable rigid plastic containers that are required to be labeled as provided  
26 in subsection (e) of this section, that have a neck smaller than the body of the  
27 container, and that accept a screw top, snap cap, or other closure. The  
28 prohibition on disposal of recyclable rigid plastic containers in landfills does  
29 not apply to rigid plastic containers that are intended for use in the sale or  
30 distribution of motor oil or pesticides.

31 (12) Wooden pallets, except that wooden pallets may be disposed of in a landfill  
32 that is permitted to only accept construction and demolition debris.

33 (13) Oyster shells.

34 (14) Discarded computer equipment, as defined in G.S. 130A-309.131.

35 (15) Discarded televisions, as defined in G.S. 130A-309.131.

36 (16) Lithium-ion batteries.

37 (f1) No person shall knowingly dispose of the following solid wastes by incineration in  
38 an incinerator for which a permit is required under this Article:

39 (1) Antifreeze (ethylene glycol) used solely in motor vehicles.

40 (2) Aluminum cans.

41 (3) Repealed by Session Laws 1995 (Regular Session, 1996), c. 594, s. 17.

42 (4) White goods.

43 (5) Lead-acid batteries, as provided in G.S. 130A-309.70.

44 (6) Repealed by Session Laws 2011-394, s. 4, effective July 1, 2011.

45 (7) Discarded computer equipment, as defined in G.S. 130A-309.131.

46 (8) Discarded televisions, as defined in G.S. 130A-309.131.

47 (9) Lithium-ion batteries.

48 ...

49 (m) No person shall knowingly dispose of fluorescent lights and thermostats that contain  
50 mercury in a sanitary landfill for the disposal of construction and demolition debris waste that is  
51 unlined or in any other landfill that is unlined.

1       (n) No person shall knowingly dispose of photovoltaic modules, or components thereof,  
2 in a sanitary landfill for the disposal of construction and demolition debris waste that is unlined  
3 or in any other landfill that is unlined. Photovoltaic modules, or components thereof, not shipped  
4 for reuse or recycled shall be properly disposed of in (i) an industrial landfill or (ii) a municipal  
5 solid waste landfill. PV modules that meet the definition of a hazardous waste shall comply with  
6 hazardous waste requirements for disposal and recycling, as applicable. For purposes of this  
7 subsection, "photovoltaic module" or "PV module" means the smallest nondivisible,  
8 environmentally protected assembly of photovoltaic cells or other photovoltaic collector  
9 technology and ancillary parts, including associated wiring, control devices, and switches, to  
10 generate electrical power under sunlight."

11       **SECTION 16.(b)** The Department may adopt rules to establish a regulatory  
12 framework for the proper handling of end-of-life lithium batteries and photovoltaic modules to  
13 implement the requirements of this section.

14       **SECTION 16.(c)** This section becomes effective December 1, 2026, and applies to  
15 offenses committed on or after that date.

### 17 **CLARIFY BROWNFIELD PROGRAM CONSTRUCTION**

18       **SECTION 17.** G.S. 130A-310.37(a) reads as rewritten:

19       (a) This Part is not intended and shall not be construed to:

- 20       (1) Affect the ability of local governments to regulate land use under Chapter  
21       160D of the General Statutes. The use of the identified brownfields property  
22       and any land-use restrictions in the brownfields agreement shall be consistent  
23       with local land-use controls adopted under those statutes.
- 24       (2) Amend, modify, repeal, or otherwise alter any provision of any remedial  
25       program or other provision of this Chapter, Chapter 143 of the General  
26       Statutes, or any other provision of law relating to civil and criminal penalties  
27       or enforcement actions and remedies available to the Department, except as  
28       may be provided in a brownfields agreement.
- 29       (3) Prevent or impede the immediate response of the Department or responsible  
30       party to an emergency that involves an imminent or actual release of a  
31       regulated substance that threatens public health or the environment.
- 32       (4) Relieve a person receiving liability protection under this Part from any  
33       liability for contamination later caused by that person on a brownfields  
34       property.
- 35       (5) Affect the right of any person to seek any relief available against any party to  
36       the brownfields agreement who may have liability with respect to the  
37       brownfields property, except that this Part does limit the relief available  
38       against any party to a brownfields agreement with respect to remediation of  
39       the brownfields property to the remediation required under the brownfields  
40       agreement.
- 41       (6) Affect the right of any person who may have liability with respect to the  
42       brownfields property to seek contribution from any other person who may  
43       have liability with respect to the brownfields property and who neither  
44       received nor has liability protection under this Part.
- 45       (7) Prevent the State from enforcing specific numerical remediation standards,  
46       monitoring, or compliance requirements specifically required to be enforced  
47       by the federal government as a condition to receive program authorization,  
48       delegation, primacy, or federal funds.
- 49       (8) Create a defense against the imposition of criminal and civil fines or penalties  
50       or administrative penalties otherwise authorized by law and imposed as the

1 result of the illegal disposal of waste or for the pollution of the land, air, or  
2 waters of this State on a brownfields property.

3 (9) Relieve a person of any liability for failure to exercise due diligence and  
4 reasonable care in performing an environmental assessment or transaction  
5 screen.

6 (10) Limit or preclude a prospective developer from performing an investigation  
7 of a brownfields property without prior approval from the Department."  
8

9 **MODIFY THE APPLICATION OF RIPARIAN BUFFER RULES REGARDING**  
10 **AIRPORT FACILITIES**

11 **SECTION 18.(a)** Definitions. – For purposes of this section and its implementation,  
12 the following definitions apply:

13 (1) Airport Impacted Property. – Any tract of property that is part of or contiguous  
14 to an airport located in the Neuse River Basin that accommodates greater than  
15 10,000,000 passengers annually that is impacted by the construction of one or  
16 more borrow pit areas in connection with the construction of a new or  
17 relocated runway in excess of 10,000 feet in length at that airport.

18 (2) Neuse River Basin. – The Neuse River Basin shall mean the area defined by  
19 waters and buffer areas included in 15A NCAC 02B .0315, or that are  
20 otherwise covered by the provisions of 15A NCAC 02B .0710 through .0715  
21 of the Neuse River Basin Riparian Buffer Rules.

22 (3) Neuse River Basin Riparian Buffer Rules. – The Neuse River Basin Riparian  
23 Buffer Rules shall mean the provisions of Sections .0200, .0600, and .0700 of  
24 Subchapter 02B of Title 15A of the North Carolina Administrative Code that  
25 apply to the Neuse River Basin.

26 **SECTION 18.(b)** Neuse River Basin Riparian Buffer Rules. – Until the effective  
27 date of the revised permanent rule that the Environmental Management Commission is required  
28 to adopt pursuant to subsection (d) of this section, the Commission shall implement the Neuse  
29 River Basin Riparian Buffer Rules as provided in subsection (c) of this section.

30 **SECTION 18.(c)** Implementation. –

31 (1) The term "airport facilities" as defined in 15A NCAC 02B .0610 and 15A  
32 NCAC 02B .0267 shall include all areas used or suitable for use as borrow  
33 areas, staging areas, or other similar areas of the airport that are used or  
34 suitable for use directly or indirectly in connection with the construction,  
35 dismantling, modification or similar action pertaining to any of the properties,  
36 facilities, buildings, or structures set forth in sub-subdivisions (a) through (q)  
37 of subdivision (1) of those rules. The term as amended by this section shall  
38 apply to all Neuse River Basin Riparian Buffer Rules.

39 (2) Notwithstanding any provisions of the Neuse River Basin Riparian Buffer  
40 Rules, no Authorization Certificate under 15A NCAC 02B .0611(b) shall be  
41 required for any work in connection with an Airport Impacted Property, but  
42 such work shall be required to provide for mitigation in conformance with  
43 applicable Neuse River Basin Riparian Buffer Rules.

44 **SECTION 18.(d)** Additional Rulemaking Authority. – The Commission shall adopt  
45 a rule to amend the Neuse River Basin Riparian Buffer Rules consistent with subsection (c) of  
46 this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to  
47 this section shall be substantively identical to the provisions of subsection (c) of this section.  
48 Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of  
49 the General Statutes. Rules adopted pursuant to this section shall become effective as provided  
50 in G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided  
51 in G.S. 150B-21.3(b2).

1           **SECTION 18.(e)** Sunset. – This section expires when permanent rules adopted as  
2 required by subsection (d) of this section become effective.

3  
4       **MODIFY CERTAIN PROVISIONS OF THE FLOODPLAIN REGULATION**  
5       **STATUTES TO DIRECT THE DEPARTMENT OF PUBLIC SAFETY TO ISSUE**  
6       **FLOODPLAIN PERMITS FOR CERTAIN AIRPORT PROJECTS**

7           **SECTION 19.(a)** G.S. 143-215.52 reads as rewritten:

8       "**§ 143-215.52. Definitions.**

9           (a) As used in this Part:

10           ...

11           (3) "Local government" means any county or city, as defined in ~~G.S.~~  
12           ~~160A-1~~G.S. 160D-102.

13           ...

14           (c) As used in applying this Part to airport projects, in addition to any other applicable  
15 definitions in this section where those definitions do not conflict:

16           (1) "Airport authority" means any authority that is authorized or governed by  
17 Chapter 63 of the General Statutes or other laws enacted by the General  
18 Assembly to acquire, establish, construct, maintain, improve, and/or operate  
19 airports or other air navigation facilities; provided, however, that this  
20 definition of "airport authority" shall not include any local government as  
21 defined by this section.

22           (2) "Airport project" includes any "airport facility," as that term is defined under  
23 15A NCAC 02B .0610, including any structure or area used in connection  
24 with the construction, reconstruction, repair, or other similar action as to any  
25 such airport facility.

26           (3) "Eligible flood hazard area" means a flood hazard area to which all of the  
27 following criteria apply:

28           a. For which a no-rise certificate has been accepted by the Department.

29           b. That is part of or connected to an airport project.

30           c. That will not involve the construction of a structure, as that term is  
31 defined in 44 C.F.R. § 59.1, within the eligible flood hazard area.

32           d. Use of the area will be consistent with the technical criteria contained  
33 in 44 C.F.R. § 60.3 for flood-prone areas.

34           e. For which no local government has a clearly demonstrated statutory  
35 authority to issue a permit for use of the eligible flood hazard area  
36 pursuant to Part 6 of this Article.

37           (4) "No-rise certificate," "no-rise certification," or "no-rise/no-impact  
38 certification," or similarly denominated certificate or action that has been  
39 accepted by the Department as demonstrating through hydrologic and  
40 hydraulic analyses performed in accordance with standard engineering  
41 practice that the proposed encroachment would not result in any increase in  
42 flood levels within the community during the occurrence of the base flood  
43 discharge.

44           (5) "Permit" means any permit, license, or similar approval that grants the right  
45 to use of one or more flood hazard areas consistent with the requirements of  
46 this Part."

47       **SECTION 19.(b)** G.S. 143-215.56 is amended by adding a new subsection to read:

48       "(i) Notwithstanding any other provision of this Part, or other applicable statutes, the  
49 Department shall grant a permit for the use of an eligible flood hazard area in connection with an  
50 airport project for which an airport authority received a no-rise certificate for that airport project  
51 where there is no local government that has a clearly demonstrated statutory authority to issue

1 such a permit for the airport project for the use of a flood hazard area pursuant to this Part. In the  
2 event the Department does not issue a permit for the airport project within 30 days of its receipt  
3 of a written request submitted by an airport authority for an airport project, the permit is deemed  
4 issued to the airport authority for the airport project by operation of law."

5  
6 **UTILITIES COMMISSION AUTHORITY TO ALLOW OWNERS' ASSOCIATIONS TO**  
7 **CHARGE FOR THE COSTS OF PROVIDING WATER AND SEWER SERVICE**

8 **SECTION 20.** G.S. 62-110(g) reads as rewritten:

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~~ allow (i) a lessor of any leased residential premises, as that term is defined under  
13 G.S. 42-59(3), to charge for the costs of providing water or sewer service to persons who occupy  
14 the leased ~~premises.~~ premises, (ii) an owners' association, as that term is defined under  
15 G.S. 47F-1-103(3), to charge for the costs of providing water or sewer service to persons who  
16 occupy townhomes within a planned community, as that term is defined under  
17 G.S. 47F-1-103(23), and (iii) a unit owners' association, as that term is defined under  
18 G.S. 47C-1-103(3), to charge for the costs of providing water or sewer service to persons who  
19 occupy a condominium, as that term is defined under G.S. 47C-1-103(7). For purposes of this  
20 subsection, the term "townhome" means a single-family dwelling unit constructed in a group of  
21 three or more attached units. The following provisions shall apply:

22 (1) Except as provided in subdivisions (1a), (1b), and (1c) of this subsection, all  
23 charges for water or sewer service shall be based on the user's metered  
24 consumption of water, which shall be determined by metered measurement of  
25 all water consumed. The rate charged by the ~~lessor~~ lessor, owners' association,  
26 or unit owners' association, as applicable, shall not exceed the unit  
27 consumption rate charged by the supplier of the service.

28 ...  
29 (1b) Notwithstanding the provisions of subdivisions (1), (1a), and (1c) of this  
30 subsection, if the Commission approves a flat rate to be charged by a water or  
31 sewer utility for the provision of water or sewer services to contiguous  
32 dwelling units, the ~~lessor~~ lessor, owners' association, or unit owners'  
33 association, as applicable, may pass through and charge the tenants or  
34 occupants of the contiguous dwelling units the same flat rate for water or  
35 sewer services, rather than a rate based on metered consumption, and an  
36 administrative fee as authorized in subdivision (2) of this subsection. Bills for  
37 water and sewer service sent by the ~~lessor~~ lessor, owners' association, or unit  
38 owners' association, as applicable, to the lessee or occupant shall contain all  
39 the information required by sub-sub-subdivisions e.2. through e.5. of  
40 subdivision (1a) of this subsection.

41 (1c) The lessor may equally divide the amount of the water and sewer bill for a  
42 unit among all the lessees in the unit and may send one bill to each lessee. The  
43 amount charged shall be prorated when a lessee has not leased the unit for the  
44 same number of days as the other lessees in the unit during the billing period.  
45 Each bill may include an administrative fee up to the amount of the  
46 then-current administrative fee authorized by the Commission in Rule 18-6  
47 for water service and, when applicable, a late fee in an amount determined by  
48 the Commission. The lessor shall not charge the cost of water and sewer from  
49 any other unit or common area in a lessee's bill sent pursuant to this  
50 subdivision.

- 1           (2)    The ~~lessor~~lessor, owners' association, or unit owners' association, as
- 2                   applicable, may charge a reasonable administrative fee for providing water or
- 3                   sewer service not to exceed the maximum administrative fee authorized by the
- 4                   Commission.
- 5           (3)    The Commission shall adopt rules to implement this subsection.
- 6           (4)    The Commission shall develop an application that ~~lessors~~lessors, owners'
- 7                   associations, or unit owners' associations, as applicable, must submit for
- 8                   authority to charge for water or sewer service. The form shall include all of
- 9                   the following:
- 10                  a.     A description of the applicant and the property to be served.
- 11                  b.     A description of the proposed billing method and billing statements.
- 12                  c.     The schedule of rates charged to the applicant by the supplier.
- 13                  d.     The schedule of rates the applicant proposes to charge the applicant's
- 14                   customers.
- 15                  e.     The administrative fee proposed to be charged by the applicant.
- 16                  f.     The name of and contact information for the applicant and its agents.
- 17                  g.     The name of and contact information for the supplying water or sewer
- 18                   system.
- 19                  h.     Any additional information that the Commission may require.
- 20    (4a)    The Commission shall develop an application that ~~lessors~~lessors, owners'
- 21                   associations, or unit owners' associations, as applicable, must submit for
- 22                   authority to charge for water or sewer service at single-family dwellings that
- 23                   allows the applicant to serve multiple dwellings in the State, subject to an
- 24                   approval by the Commission. The form shall include all of the following:
- 25                   ...."

**INCREASE MINIMUM BOND REQUIRED BEFORE A FRANCHISE CAN BE GRANTED TO A WATER OR SEWER UTILITY COMPANY**

**SECTION 21.** G.S. 62-110.3 reads as rewritten:

**"§ 62-110.3. Bond required for water and sewer companies.**

(a) No franchise may be granted to any water or sewer utility company until the applicant furnishes a bond, secured with sufficient surety as approved by the Commission, in an amount not less than ~~ten thousand dollars (\$10,000)~~twenty-five thousand dollars (\$25,000). The bond shall be conditioned upon providing adequate and sufficient service within all the applicant's service areas, including those for which franchises have previously been granted, shall be payable to the Commission, and shall be in a form acceptable to the Commission. In setting the amount of a bond, the Commission shall consider and make appropriate findings as to the following:

- (1) Whether the applicant holds other water or sewer franchises in this State, and if so its record of operation,
- (2) The number of customers the applicant now serves and proposes to serve,
- (3) The likelihood of future expansion needs of the service,
- (4) If the applicant is acquiring an existing company, the age, condition, and type of the equipment, and
- (5) Any other relevant factors, including the design of the system.

Any interest earned on a bond shall be payable to the water or sewer company that posted the bond.

...

(c) The utility, the Public Staff, the Attorney General, and any other party may, at any time after the amount of a bond is set, apply to the Commission to raise or lower the amount based on changed circumstances.

1 (d) The appointment of an emergency operator, either by the superior court in accordance  
2 with G.S. 62-118(b) or by the Commission ~~with the consent of the owner or operator, in~~  
3 accordance with G.S. 62-116(b), operates to forfeit the bond required by this section. The court  
4 or Commission, as appropriate, shall determine the amount of money needed to alleviate the  
5 emergency and shall order that amount of the bond to be paid to the Commission as trustee for  
6 the water or sewer system.

7 (e) If the person who operated the system before the emergency was declared desires to  
8 resume operation of the system upon a finding that the emergency no longer exists, the  
9 Commission shall require him to post a new bond, the amount of which may be different from  
10 the previous bond."  
11

## 12 PART II. STATE AND LOCAL GOVERNMENT PROVISIONS

### 13 14 LIMIT LOCAL GOVERNMENT ZONING AUTHORITY TO REQUIRE FIRE ACCESS 15 ROADS IN EXCESS OF THE FIRE CODE OF THE NORTH CAROLINA 16 RESIDENTIAL CODE FOR ONE- AND TWO-FAMILY DWELLINGS

17 SECTION 22.(a) G.S. 160D-702(c) reads as rewritten:

18 "(c) A zoning or other development regulation shall not do any of the following:

- 19 (1) Set a minimum square footage of any structures subject to regulation under  
20 the North Carolina Residential Code for One- and Two-Family Dwellings.
- 21 (2) ~~Set a maximum parking space size~~ Require a parking space to be larger than  
22 9 feet wide by 20 feet long unless the parking space is designated for handicap,  
23 parallel, or diagonal parking.
- 24 (3) Require additional fire apparatus access roads into developments of one- or  
25 two-family dwellings that are not in compliance with the required number of  
26 fire apparatus access roads into developments of one- or two-family dwellings  
27 set forth in the Fire Code of the North Carolina Residential Code for One- and  
28 Two-Family Dwellings."

29 SECTION 22.(b) This section is effective when it becomes law and applies to  
30 existing municipal or county ordinances. Any municipal or county ordinance inconsistent with  
31 this section is void and unenforceable.  
32

### 33 PROHIBIT COUNTIES AND CITIES FROM REGULATING CERTAIN ONLINE 34 MARKETPLACES

35 SECTION 22.5.(a) Article 23 of Chapter 153A of the General Statutes is amended  
36 by adding a new section to read:

37 "§ 153A-461. Online marketplace.

38 (a) A county shall not do either of the following:

- 39 (1) Regulate the operation of an online marketplace, as defined in subsection (b)  
40 of this section.
- 41 (2) Require an online marketplace to provide personally identifiable information  
42 of users, unless pursuant to a subpoena or court order.

43 (b) For purposes of this section, the term "online marketplace" means a person or entity  
44 that does both of the following:

- 45 (1) Provides for consideration, regardless of whether the consideration is  
46 deducted as a fee from the transaction, an online application, software,  
47 website, system, or other medium through which a service is advertised in this  
48 State or is offered to the public as available in this State.
- 49 (2) Provides, directly or indirectly, or maintains a platform for services by  
50 performing any of the following:



- 1           a.     Providing a payment system that facilitates a transaction between two  
2                 platform users.  
3           b.     Transmitting or otherwise communicating the offer or acceptance of a  
4                 transaction between two platform users.  
5           c.     Owning or operating the electronic infrastructure or technology that  
6                 brings two or more users together.  
7       (c)     For purposes of this section, the term "online marketplace" shall not include any local  
8         or State entity or vendor."

9           **SECTION 22.5.(b)** Article 21 of Chapter 160A of the General Statutes is amended  
10 by adding a new section to read:

11 **"§ 160A-499.6. Online marketplace.**

- 12       (a)     A city shall not do either of the following:  
13           (1)    Regulate the operation of an online marketplace, as defined in subsection (b)  
14                 of this section.  
15           (2)    Require an online marketplace to provide personally identifiable information  
16                 of users, unless pursuant to a subpoena or court order.  
17       (b)     For purposes of this section, the term "online marketplace" means a person or entity  
18         that does both of the following:  
19           (1)    Provides for consideration, regardless of whether the consideration is  
20                 deducted as a fee from the transaction, an online application, software,  
21                 website, system, or other medium through which a service is advertised in this  
22                 State or is offered to the public as available in this State.  
23           (2)    Provides, directly or indirectly, or maintains a platform for services by  
24                 performing any of the following:  
25                 a.     Providing a payment system that facilitates a transaction between two  
26                         platform users.  
27                         b.     Transmitting or otherwise communicating the offer or acceptance of a  
28                                 transaction between two platform users.  
29                         c.     Owning or operating the electronic infrastructure or technology that  
30                                 brings two or more users together.  
31       (c)     For purposes of this section, the term "online marketplace" shall not include any local  
32         or State entity or vendor."

33           **SECTION 22.5.(c)** This section shall not affect any authority otherwise granted to  
34 counties and cities in State statute.

35           **SECTION 22.5.(d)** This section is effective when it becomes law.

36  
37 **SYSTEM DEVELOPMENT FEE CLARIFICATION**

38           **SECTION 23.(a)** G.S. 162A-201(9) reads as rewritten:

- 39       "(9)    System development fee. – A charge or assessment for service, including  
40                 service provided pursuant to a wholesale arrangement between a water and  
41                 sewer authority organized under Article 1 of Chapter 162A of the General  
42                 Statutes and a local governmental unit, imposed with respect to new  
43                 development to fund costs of capital improvements necessitated by and  
44                 attributable to such new development, to recoup costs of existing facilities  
45                 which serve such new development, to recoup costs incurred by a local  
46                 government unit to purchase capacity in, or reserve capacity supplied by,  
47                 capital improvements or facilities owned by another local government unit, or  
48                 a combination of those costs, as provided in this Article. The term includes  
49                 amortized charges, lump-sum charges, and any other fee that functions as  
50                 described by this definition regardless of terminology. The term does not  
51                 include any of the following:

- a. A charge or fee to pay the administrative, plan review, or inspection costs associated with permits required for development.
- b. Tap or hookup charges for the purpose of reimbursing the local governmental unit for the actual cost of connecting the service unit to the system.
- c. Availability charges.
- d. Dedication of capital improvements on-site, adjacent, or ancillary to a development absent a written agreement providing for credit or reimbursement to the developer pursuant to G.S. 153A-280, 153A-451, 160A-320, 160A-499 or Part 3A of Article 18, Chapter 153A or Part 3D of Article 19, Chapter 160A of the General Statutes.
- e. Reimbursement to the local governmental unit for its expenses in constructing or providing for water or sewer utility capital improvements adjacent or ancillary to the development if the owner or developer has agreed to be financially responsible for such expenses; however, such reimbursement shall be credited to any system development fee charged as set forth in G.S. 162A-207(c)."

**SECTION 23.(b)** G.S. 162A-205 reads as rewritten:

**"§ 162A-205. Supporting analysis.**

A system development fee shall be calculated based on a written analysis, which may constitute or be included in a capital improvements plan, that:

- (1) Is prepared by a financial professional or a licensed professional engineer qualified by experience and training or education to employ generally accepted accounting, engineering, and planning methodologies to calculate system development fees for public water and sewer systems.
- (2) Documents in reasonable detail the facts and data used in the analysis and their sufficiency and reliability.
- (3) Employs generally accepted accounting, engineering, and planning methodologies, including the buy-in, incremental cost or marginal cost, and combined cost methods for each service, setting forth appropriate analysis as to the consideration and selection of a method appropriate to the circumstances and adapted as necessary to satisfy all requirements of this Article.
- (4) Documents and demonstrates the reliable application of the methodologies to the facts and data, including all reasoning, analysis, and interim calculations underlying each identifiable component of the system development fee and the aggregate thereof.
- (5) Identifies all assumptions and limiting conditions affecting the analysis and demonstrates that they do not materially undermine the reliability of conclusions reached.
- (6) Calculates a final system development fee per service unit of new development and includes an equivalency or conversion table for use in determining the fees applicable for various categories of demand.
- (7) Covers a planning horizon of not less than five years nor more than 20 years.
- (8) Is adopted by resolution or ordinance of the local governmental unit in accordance with G.S. 162A-209.
- (9) Uses the gallons per day per service unit that the local governmental unit applies to its water or sewer system engineering or planning purposes for water or sewer, as appropriate, in calculating the system development fee.

(10) Includes any purchased capacity in, or reserved capacity supplied by, capital improvements or facilities owned by another local government unit as part of the local government unit's overall capacity in capital improvements."

**SECTION 23.(c)** G.S. 162A-211 reads as rewritten:

**"§ 162A-211. Use and administration of revenue.**

(a) Revenue from system development fees calculated using the incremental cost method or marginal cost method, exclusively or as part of the combined cost method, shall be expended only to pay:

- (1) Costs of constructing capital improvements including, and limited to, any of the following:
  - a. Construction contract prices.
  - b. Surveying and engineering fees.
  - c. Land acquisition cost.
  - d. Principal and interest on bonds, notes, or other obligations issued by or on behalf of the local governmental unit to finance any costs for an item listed in sub-subdivisions a. through c. of this subdivision.
- (2) Professional fees incurred by the local governmental unit for preparation of the system development fee analysis.
- (3) If no capital improvements are planned for construction within five years or the foregoing costs are otherwise paid or provided for, then principal and interest on bonds, notes, or other obligations issued by or on behalf of a local governmental unit to finance the construction or acquisition of existing capital improvements.
- (4) Contractual obligations to another local government unit for capacity in such facilities owned by another local government unit.

...."

**SECTION 23.(d)** This section is effective when it becomes law. This section clarifies and restates the intent of existing law and applies to ordinances adopted before, on, and after the effective date.

**EXEMPT MINOR LEAGUE BASEBALL PLAYERS EMPLOYED UNDER A COLLECTIVE BARGAINING AGREEMENT FROM STATE MINIMUM WAGE, OVERTIME, AND RECORD-KEEPING REQUIREMENTS**

**SECTION 24.(a)** G.S. 95-25.14 reads as rewritten:

**"§ 95-25.14. Exemptions.**

...

(b) The provisions of G.S. 95-25.3 (Minimum Wage) and G.S. 95-25.4 (Overtime), and the provisions of G.S. 95-25.15(b) (Record Keeping) as they relate to these exemptions, do not apply to:

- (1) Any employee of a boys' or girls' summer camp or of a seasonal religious or nonprofit educational conference center;
- (2) Any person employed in the catching, processing or first sale of seafood, as defined under the Fair Labor Standards Act;
- (3) The spouse, child, or parent of the employer or any person qualifying as a dependent of the employer under the income tax laws of North Carolina;
- (4) Any person employed in a bona fide executive, administrative, professional or outside sales capacity, as defined under the Fair Labor Standards Act;
- (5) Repealed by Session Laws 1989, c. 687, s. 2.
- (6) Any person while participating in a ridesharing arrangement as defined in G.S. 136-44.21;

1 (7) Any person who is employed as a computer systems analyst, computer  
2 programmer, software engineer, or other similarly skilled worker, as defined  
3 in the Fair Labor Standards Act.

4 (8) Any employee who has entered into a contract to play baseball at the minor  
5 league level and who is compensated pursuant to the terms of a collective  
6 bargaining agreement that expressly provides for the wages, hours of work,  
7 and working conditions of the employees.

8 ...."

9 SECTION 24.(b) This section becomes effective August 1, 2023.

## 10 11 CODIFY MEDICAL RECORD RETENTION REQUIREMENT FOR HEALTH CARE 12 PROVIDERS

13 SECTION 25. Article 29 of Chapter 90 of the General Statutes is amended by adding  
14 a new section to read:

### 15 "§ 90-413. Retention of medical records.

16 Unless otherwise required by federal law or regulation, a health care provider shall retain  
17 medical records for a minimum of 10 years from the date of service to which the medical record  
18 pertains. In the case of a minor patient, medical records shall be retained for a minimum of 10  
19 years after the patient has reached the age of majority. This section shall not apply to a pharmacy  
20 maintaining a valid pharmacy permit pursuant to G.S. 90-85.21 or G.S. 90-85.21A or to a person  
21 licensed by the North Carolina Veterinary Medical Board to practice veterinary medicine  
22 pursuant to Article 11 of this Chapter."

## 23 24 CODIFY EXISTING STROKE CENTER DESIGNATIONS AND ADD A 25 THROMBECTOMY-CAPABLE STROKE CENTER DESIGNATION

26 SECTION 26. G.S. 131E-78.5 reads as rewritten:

### 27 "§ 131E-78.5. Designation as primary stroke center.Stroke center designation.

28 (a) ~~The Department shall designate as a primary stroke center any hospital licensed under~~  
29 ~~this Article that demonstrates to the Department that the hospital is certified by the Joint~~  
30 ~~Commission or other nationally recognized accrediting body that requires conformance to best~~  
31 ~~practices for stroke care in order to be identified as a primary stroke center. A hospital that is~~  
32 ~~certified by the Joint Commission or other nationally recognized accrediting body that requires~~  
33 ~~conformance to best practices for stroke care in order to be identified as a primary stroke center~~  
34 ~~shall report the certification to the Department within 90 days of receiving that certification. A~~  
35 ~~hospital shall inform the Department of any changes to its certification status within 30 days of~~  
36 ~~any change.~~hospitals that meet the criteria set forth in this section as an Acute Stroke Ready  
37 Hospital, Primary Stroke Center, Thrombectomy-Capable Stroke Center, or Comprehensive  
38 Stroke Center. A hospital shall apply to the Department for recognition of such designation and  
39 shall demonstrate to the satisfaction of the Department that the hospital meets the applicable  
40 criteria set forth in this section.

41 (a1) The Department shall recognize as many certified acute care hospitals as Acute Stroke  
42 Ready Hospitals as apply and are certified as an Acute Stroke Ready Hospital by the American  
43 Heart Association, the Joint Commission, or other Department-approved certifying body that is  
44 a nationally recognized guidelines-based organization that provides Acute Stroke Ready Hospital  
45 certification for stroke care, provided that each applicant continues to maintain its certification.

46 (a2) The Department shall recognize as many certified acute care hospitals as Primary  
47 Stroke Centers as apply and are certified as a Primary Stroke Center by the American Heart  
48 Association, the Joint Commission, or other Department-approved certifying body that is a  
49 nationally recognized guidelines-based organization that provides Primary Stroke Center  
50 Hospital certification for stroke care, provided that each applicant continues to maintain its  
51 certification. Further, the Department may recognize those Primary Stroke Centers that have not

1 been certified as Thrombectomy-Capable Stroke Centers but have attained a level of stroke care  
2 distinction by offering mechanical endovascular therapies.

3 (a3) The Department shall recognize as many certified acute care hospitals as  
4 Thrombectomy-Capable Stroke Centers as apply and are certified as a Thrombectomy-Capable  
5 Stroke Center by the American Heart Association, the Joint Commission, or other  
6 Department-approved certifying body that is a nationally recognized guidelines-based  
7 organization that provides Thrombectomy-Capable Stroke Center Hospital certification for  
8 stroke care, provided that each applicant continues to maintain its certification.

9 (a4) The Department shall recognize as many certified acute care hospitals as  
10 Comprehensive Stroke Centers as apply and are certified as a Comprehensive Stroke Center by  
11 the American Heart Association, the Joint Commission, or other Department-approved certifying  
12 body that is a nationally recognized guidelines-based organization that provides Comprehensive  
13 Stroke Center Hospital certification for stroke care, provided that each applicant continues to  
14 maintain its certification.

15 (a5) A hospital that is certified by the Joint Commission or other nationally recognized  
16 accrediting body that requires conformance to best practices for stroke care in order to be  
17 identified as a stroke center shall report the following information to the Department within 90  
18 days of receiving that certification:

- 19 (1) The name of the accrediting organization issuing certification to the hospital.
- 20 (2) The date of certification.
- 21 (3) The level of certification.
- 22 (4) The date of renewal of the certification.
- 23 (5) The name and phone number of the primary contact person at the hospital who  
24 is responsible for obtaining certification.

25 (b) ~~Each hospital designated as a primary stroke center~~ an Acute Stroke Ready Hospital,  
26 Primary Stroke Center, Thrombectomy-Capable Stroke Center, or a Comprehensive Stroke  
27 Center pursuant to this section shall make efforts to coordinate the provision of appropriate acute  
28 stroke care with other hospitals licensed in this State through a formal written agreement. The  
29 agreement shall, at a minimum, address (i) transportation of acute stroke patients to hospitals  
30 designated as primary-stroke centers and (ii) acceptance by hospitals designated as primary-stroke  
31 centers of acute stroke patients initially treated at hospitals that are not capable of providing  
32 appropriate stroke care.

33 (c) The Department shall maintain within the Division of Health Service Regulation,  
34 Office of Emergency Services, a list of the hospitals designated as ~~primary-stroke centers~~ an  
35 Acute Stroke Ready Hospital, Primary Stroke Center, Thrombectomy-Capable Stroke Center, or  
36 a Comprehensive Stroke Center in accordance with this section and post the list on the  
37 Department's Internet Web site. Annually on June 1, the Department shall transmit this list to the  
38 medical director of each licensed emergency medical services provider in this State.

39 (d) A hospital licensed under this Article shall not advertise or hold itself out to the public  
40 as ~~a primary-stroke center~~ an Acute Stroke Ready Hospital, Primary Stroke Center,  
41 Thrombectomy-Capable Stroke Center, or a Comprehensive Stroke Center unless certified as a  
42 ~~primary-stroke center~~ by the Joint Commission or other nationally recognized accrediting body  
43 that requires conformance to best practices for stroke care in order to be identified as a ~~primary~~  
44 designated stroke center.

45 (e) Nothing in this section shall be construed to do any of the following:

- 46 (1) Establish a standard of medical practice for stroke patients.
- 47 (2) Restrict in any way the authority of any hospital to provide services authorized  
48 under its hospital license.

49 (f) The Department may adopt rules to implement the provisions of this section."  
50

1 **EXPANSION OF THE HOMESCHOOL COOPERATIVE EXEMPTION TO THE**  
2 **DEFINITION OF CHILD CARE**

3 **SECTION 27.** G.S. 110-86 reads as rewritten:

4 **"§ 110-86. Definitions.**

5 Unless the context or subject matter otherwise requires, the terms or phrases used in this  
6 Article shall be defined as follows:

7 ...

8 (2) Child care. – A program or arrangement where three or more children less  
9 than 13 years old, who do not reside where the care is provided, receive care  
10 on a regular basis of at least once per week for more than four hours but less  
11 than 24 hours per day from persons other than their guardians or full-time  
12 custodians, or from persons not related to them by birth, marriage, or adoption.  
13 Child care does not include the following:

14 ...

15 i. Cooperative arrangements among parents to provide care for their own  
16 children as a convenience rather than for employment. This exemption  
17 shall include arrangements between a group of parents, regardless of  
18 whether the parents are working, to provide for the instructional needs  
19 of their children, ~~provided the arrangement occurs in the home of one~~  
20 ~~of the cooperative participants;~~ children;

21 ...."

22  
23 **RESTORE 2009 BUILDING CODE STANDARDS FOR PIERS AND DOCKS**  
24 **CONSTRUCTED IN ESTUARINE WATERS**

25 **SECTION 28.(a)** Definitions. – As used in this section, "Council" means the  
26 Building Code Council and "Dock and Pier Code" means Chapter 36 of the 2018 North Carolina  
27 Building Code, as adopted by the Council.

28 **SECTION 28.(b)** Dock and Pier Code. – Until the effective date of the revised  
29 permanent rules that the Council is required to adopt pursuant to subsection (d) of this section,  
30 the Council shall implement the applicable requirements of the 2018 Building Code, as provided  
31 in subsection (c) of this section.

32 **SECTION 28.(c)** Implementation. – The Council shall not impose any building  
33 requirements inconsistent with the 2009 Building Code Chapter for Docks, Piers, Bulkheads, and  
34 Waterway Structures for piers or docks built in estuarine waters.

35 **SECTION 28.(d)** Additional Rulemaking Authority. – The Council shall adopt rules  
36 to amend the Building Code consistent with subsection (c) of this section. Notwithstanding  
37 G.S. 150B-19(4), the rules adopted by the Council, pursuant to this section, shall be substantively  
38 identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section  
39 are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted  
40 pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10  
41 or more written objections had been received as provided by G.S. 150B-21.3(b2).

42 **SECTION 28.(e)** Sunset. – This section expires when permanent rules adopted as  
43 required by subsection (d) of this section become effective.

44  
45 **PRESERVE EXISTING NORTH CAROLINA BUILDING CODE LIMITATION ON**  
46 **THE USE OF PLASTIC PIPE IN CERTAIN BUILDINGS**

47 **SECTION 28.5.** G.S. 143-138 is amended by adding a new subsection to read:

48 "(b23) Limitation on Use of Plastic Pipes. – No State, county, or local building code or  
49 regulation shall allow for the use of plastic pipes, plastic pipe fittings, and plastic plumbing  
50 appurtenances with an inside diameter 2 inches (51 millimeters) and larger in either of the  
51 following circumstances:

- 1           (1) Drain, waste, and vent conductors in buildings in which the top occupied floor  
2           exceeds 75 feet (23 meters) in height.  
3           (2) Storm drainage conductors in buildings in which the top occupied floor  
4           exceeds 75 feet (23 meters) in height."  
5

## 6 **DISAPPROVE CERTAIN DOA PROCUREMENT RULES**

7           **SECTION 29.** Pursuant to G.S. 150B-21.3(b1), the following rules, as adopted by  
8 the North Carolina Department of Administration on October 20, 2022, and approved by the  
9 Rules Review Commission on December 15, 2022, are disapproved:

- 10           01 NCAC 05A .0112 (Definitions)  
11           01 NCAC 05E .0101 (Good Faith Efforts)  
12

## 13 **EMERGENCY SUPPLY CHAIN DECLARATION FOR LOCAL GOVERNMENTS**

14           **SECTION 30.(a)** G.S. 166A-19.3 reads as rewritten:

### 15 **"§ 166A-19.3. Definitions.**

16           The following definitions apply in this Article:

17           ...

- 18           (6) **Emergency.** – An occurrence or imminent threat of widespread or severe  
19 damage, injury, or loss of life or property resulting from any natural or  
20 man-made accidental, military, paramilitary, terrorism, weather-related,  
21 public health, explosion-related, riot-related cause, or technological failure or  
22 accident, including, but not limited to, a cyber incident, an explosion, a  
23 transportation accident, a radiological accident, or a chemical or other  
24 hazardous material incident. An emergency may also be caused by a  
25 disruption in the supply chain that creates a significant threat to a local  
26 government's ability to acquire products or services required to provide  
27 essential services such as electricity and water to the populace or required to  
28 restore such essential services in the event of widespread or severe damage to  
29 the local government system used to provide such essential services.

30           ...."

31           **SECTION 30.(b)** Article 1A of Chapter 166A of the General Statutes is amended  
32 by adding a new section to read:

### 33 **"§ 166A-19.16. Emergency Supply Chain Declaration.**

34           Article 8 of Chapter 143 of the General Statutes shall not apply to any contracts that an entity  
35 otherwise subject to Article 8 may award for apparatus, supplies, materials, or equipment, or  
36 construction or repair work requiring apparatus, supplies, materials, or equipment, where such  
37 apparatus, supplies, materials, or equipment is either:

- 38           (1) Listed in an emergency declaration arising from a supply chain disruption as  
39 described in G.S. 166A-19.3(6).  
40           (2) Listed in an order or regulation issued by an agency of the federal government  
41 under the Defense Production Act of 1950, as amended. The exemption in this  
42 section shall terminate upon expiration or termination of the emergency  
43 declaration or order or regulation issued under the Defense Production Act of  
44 1950, as amended."  
45

## 46 **PART III. MISCELLANEOUS PROVISIONS**

### 47 48 **INCREASE THE TOTAL APPRAISED VALUE OF ALL REAL ESTATE PRIZES** 49 **OFFERED DURING A CALENDAR YEAR BY A NONPROFIT ORGANIZATION AS** 50 **PART OF A RAFFLE**

51           **SECTION 31.(a)** G.S. 14-309.15(g) reads as rewritten:

1 "(g) Real property may be offered as a prize in a raffle. ~~The maximum appraised value of~~  
2 ~~real property that may be offered for any one raffle is five hundred thousand dollars (\$500,000).~~  
3 Any nonprofit organization offering real property as a prize in a raffle shall provide the property  
4 free from all liens, provide an owner affidavit and indemnity agreement, and provide a title  
5 commitment for the property and shall make that commitment available for inspection upon  
6 request. The total appraised value of all real estate prizes offered by any nonprofit organization  
7 shall not exceed ~~five hundred thousand two million two hundred fifty thousand~~  
8 ~~(\$500,000)-(\$2,250,000)~~ in any calendar year."

9 **SECTION 31.(b)** This section is effective when it becomes law and applies to raffles  
10 conducted on or after that date.

## 11 **CLARIFY THAT INFLATABLE DEVICES ARE NOT AMUSEMENT DEVICES**

12 **SECTION 32.(a)** G.S. 95-111.3 reads as rewritten:

### 13 **"§ 95-111.3. Definitions.**

14 The following definitions shall apply in this Article:

15 ~~(a)(1)~~ (a)(1) ~~The term "amusement device" shall mean any Amusement device. – Any~~  
16 ~~mechanical or structural device or attraction that carries or conveys or permits~~  
17 ~~persons to walk along, around or over a fixed or restricted route or course or~~  
18 ~~within a defined area including the entrances and exits thereto, for the purpose~~  
19 ~~of giving such persons amusement, pleasure, thrills or excitement. This term~~  
20 ~~shall not include any of the following:~~

21 ~~(1)a.~~ (1)a. Devices operated on a river, lake, or any other natural body of water.

22 ~~(2)b.~~ (2)b. Wavepools.

23 ~~(3)c.~~ (3)c. Roller skating rinks.

24 ~~(4)d.~~ (4)d. Ice skating rinks.

25 ~~(5)e.~~ (5)e. Skateboard ramps or courses.

26 ~~(6)f.~~ (6)f. Mechanical bulls.

27 ~~(7)g.~~ (7)g. Buildings or concourses used in laser games.

28 ~~(8)h.~~ (8)h. All-terrain vehicles.

29 ~~(9)i.~~ (9)i. Motorcycles.

30 ~~(10)j.~~ (10)j. Bicycles.

31 ~~(11)k.~~ (11)k. Mopeds.

32 ~~(12)l.~~ (12)l. Rock walls that are in a fixed, permanent location.

33 ~~(13)m.~~ (13)m. Zip-lines.

34 ~~(14)n.~~ (14)n. Funhouses, haunted houses, and similar walk-through devices that are  
35 erected temporarily on a seasonal basis and do not have mechanical  
36 components.

37 ~~(15)o.~~ (15)o. Playground equipment, including but not limited to soft contained play  
38 equipment, swings, seesaws, slides, stationary spring-mounted animal  
39 features, jungle gyms, rider-propelled merry-go-rounds, and  
40 trampolines.

41 ~~(16)p.~~ (16)p. Any train or device previously or currently approved for use on the  
42 public rail transit system.

43 q. Inflatable devices, including any air-supported device made of flexible  
44 fabric, inflated by one or more blowers, that relies upon air pressure to  
45 maintain its shape.

46 ~~(b)(2)~~ (b)(2) ~~The term "amusement park" shall mean any Amusement park. – Any tract or~~  
47 ~~area used principally as a permanent location for amusement devices.~~

48 ~~(b1)(3)~~ (b1)(3) ~~The term "annual gross volume" shall mean the Annual gross volume. – The~~  
49 ~~gross receipts a person or device receives from all types of sales made and~~  
50 ~~business done during a 12-month period.~~  
51



- 1           ~~(b2)(4)~~ The term "carnival area" shall mean any Carnival area. – Any area, track, or  
 2           structure that is rented, leased, or owned as a temporary location for  
 3           amusement devices.
- 4           ~~(e)(5)~~ The term "Commissioner" shall mean the Commissioner. – The North  
 5           Carolina Commissioner of Labor or his or her authorized representative.
- 6           ~~(d)(6)~~ The term "Director" shall mean the Director. – The Director of the Elevator  
 7           and Amusement Device Division of the North Carolina Department of Labor.
- 8           ~~(e)(7)~~ The term "operator" shall mean any Operator. – Any person having direct  
 9           control of the operation of an amusement device. The term "operator" shall  
 10          not include a waterslide dispatcher or any person on the device for the purpose  
 11          of receiving amusement, pleasure, thrills, or excitement.
- 12          ~~(f)(8)~~ The term "owner" shall mean any Owner. – Any person or authorized agent  
 13          of such person who owns an amusement device or in the event such device is  
 14          leased, the lessee. The term "owner" also shall include the State of North  
 15          Carolina or any political subdivision thereof or any unit of local government.
- 16          ~~(g)(9)~~ The term "person" shall mean any Person. – Any individual, association,  
 17          partnership, firm, corporation, private organization, or the State of North  
 18          Carolina or any political subdivision thereof or any unit of local government.
- 19          ~~(h)(10)~~ The term "waterslide" shall mean a Waterslide. – A stationary amusement  
 20          device that provides a descending ride on a flowing water film through a  
 21          trough or tube or on an inclined plane into a pool of water. This term does not  
 22          include devices where the vertical distance between the highest and the lowest  
 23          points does not exceed 15 feet.
- 24          ~~(i)(11)~~ The term "waterslide dispatcher" shall mean an Waterslide dispatcher. – An  
 25          employee who is stationed at the top of a waterslide for the purpose of  
 26          managing the ride queue and dispatching users of the waterslide."

27          **SECTION 32.(b)** G.S. 95-111.12(d) reads as rewritten:

28          "(d) Operators of waterslides, as defined in ~~G.S. 95-111.3(h)~~, G.S. 95-111.3(10), shall  
 29          notify the Commissioner of all incidences of personal injury involving the waterslides, as  
 30          required by G.S. 95-111.10(a)."

31  
 32          **COMMERCIAL MOBILE RADIO SERVICE CHANGES**

33          **SECTION 33.(a)** G.S. 143B-1405(a)(4) reads as rewritten:

- 34          "(4) Prior approval must be obtained from the 911 Board for all invoices for  
 35          payment of costs that exceed ~~the lesser of:~~
- 36          a.       ~~One one~~ hundred percent (100%) of the eligible costs allowed under  
 37          this section.
- 38          b.       ~~One hundred twenty five percent (125%) of the service charges~~  
 39          ~~remitted to the 911 Board by the CMRS provider."~~

40          **SECTION 33.(b)** Effective July 1, 2024, G.S. 143B-1405 is repealed.

41          **SECTION 33.(c)** Effective July 1, 2024, G.S. 143B-1403(d) reads as rewritten:

42          "(d) Adjustment of Charge. – The 911 Board must monitor the revenues generated by the  
 43          service charges imposed by this section. If the 911 Board determines that the rates produce  
 44          revenue that exceeds or is less than the amount needed, the 911 Board may adjust the rates. The  
 45          911 Board must set the service charge for prepaid wireless telecommunications service at the  
 46          same rate as the monthly service charge for nonprepaid service. A change in the rate becomes  
 47          effective only on July 1. The 911 Board must notify providers of a change in the rates at least 90  
 48          days before the change becomes effective. The 911 Board must notify the Department of  
 49          Revenue of a change in the rate for prepaid wireless telecommunications service at least 90 days  
 50          before the change becomes effective. The Department of Revenue must provide notice of a

1 change in the rate for prepaid wireless telecommunications service at least 45 days before the  
2 change becomes effective only on the Department's Web site. The revenues ~~must:~~

3 (1) ~~Ensure full cost recovery for communications service providers over a~~  
4 ~~reasonable period of time; and~~

5 (2) ~~Fund shall fund~~ allocations under G.S. 143B-1404 of this Part for monthly  
6 distributions to primary PSAPs and for the State ESInet."

7 **SECTION 33.(d)** Effective July 1, 2024, G.S. 143B-1407(a) reads as rewritten:

8 "(a) Account and Fund Established. – A PSAP Grant and Statewide 911 Projects Account  
9 is established within the 911 Fund for the purpose of making grants to PSAPs in rural and other  
10 high-cost areas and funding projects that provide statewide benefits for 911 service. The PSAP  
11 Grant and Statewide 911 Projects Account consists of revenue allocated by the 911 Board under  
12 ~~G.S. 143B-1405(e) and~~ G.S. 143B-1406. The Next Generation 911 Reserve Fund is established  
13 as a special fund for the purpose of funding the implementation of the next generation 911  
14 systems as approved by the 911 Board."

15 **SECTION 33.(e)** Effective July 1, 2024, G.S. 143B-1409(2) is repealed.

16  
17 **PART IV. SEVERABILITY CLAUSE AND EFFECTIVE DATE**

18 **SECTION 34.(a)** If any provision of this act or the application thereof to any person  
19 or circumstances is held invalid, such invalidity shall not affect other provisions or applications  
20 of this act that can be given effect without the invalid provision or application and, to this end,  
21 the provisions of this act are declared to be severable.

22 **SECTION 34.(b)** Except as otherwise provided, this act is effective when it becomes  
23 law.