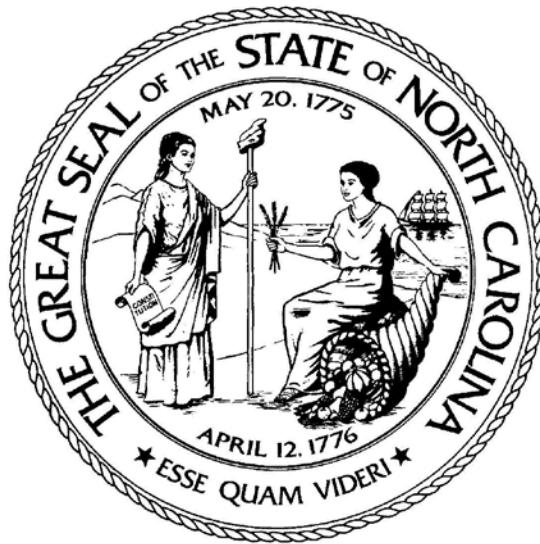


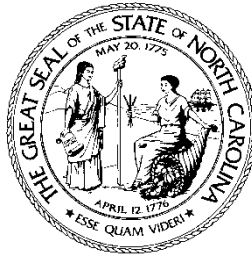
House Appropriations Committee on

Proposed Special Provisions for H.B. 97, 2015 Appropriations Act



May 14, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA



SPECIAL PROVISIONS
HOUSE APPROPRIATIONS, AGRICULTURE AND NATURAL AND ECONOMIC
RESOURCES REPORT

MAY 14, 2015

Report Last Updated: 5/14/15 1:01 AM

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GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-AGRIC-H8-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

COMMISSIONER OF AGRICULTURE/VEHICLE BENEFITS

SECTION #. G.S. 143-341(8)(i)(7a) is rewritten to read:

"7a. To adopt with the approval of the Governor and to enforce rules and to coordinate State policy regarding (i) the permanent assignment of state-owned passenger motor vehicles and (ii) the use of and reimbursement for those vehicles for the limited commuting permitted by this subdivision. For the purpose of this subdivision 7a, "state-owned passenger motor vehicle" includes any state-owned passenger motor vehicle, whether or not owned, maintained or controlled by the Department of Administration, and regardless of the source of the funds used to purchase it. Notwithstanding the provisions of G.S. 20-190 or any other provisions of law, all state-owned passenger motor vehicles are subject to the provisions of this subdivision 7a; no permanent assignment shall be made and no one shall be exempt from payment of reimbursement for commuting or from the other provisions of this subdivision 7a except as provided by this subdivision 7a. Commuting, as defined and regulated by this subdivision, is limited to those specific cases in which the Secretary has received and accepted written justification, verified by historical data. The Department shall not assign any state-owned motor vehicle that may be used for commuting other than those authorized by the procedure prescribed in this subdivision.

A State-owned passenger motor vehicle shall not be permanently assigned to an individual who is likely to drive it on official business at a rate of less than 3,150 miles per quarter unless (i) the individual's duties are routinely related to public safety or (ii) the individual's duties are likely to expose the individual routinely to life-threatening situations. A State-owned passenger motor vehicle shall also not be permanently assigned to an agency that is likely to drive it on official business at a rate of less than 3,150 miles per quarter unless the agency can justify to the Division of Motor Fleet Management the need for permanent assignment because of the unique use of the vehicle. Each agency, other than the Department of Transportation, that has a vehicle assigned to it or has an employee to whom a vehicle is assigned shall

1 submit a quarterly report to the Division of Motor Fleet
2 Management on the miles driven during the quarter by the
3 assigned vehicle. The Division of Motor Fleet Management
4 shall review the report to verify that each motor vehicle has
5 been driven at the minimum allowable rate. If it has not and if
6 the department by whom the individual to which the car is
7 assigned is employed or the agency to which the car is
8 assigned cannot justify the lower mileage for the quarter, the
9 permanent assignment shall be revoked immediately. The
10 Department of Transportation shall submit an annual report to
11 the Division of Motor Fleet Management on the miles driven
12 during the year by vehicles assigned to the Department or to
13 employees of the Department. If a vehicle included in this
14 report has not been driven at least 12,600 miles during the
15 year, the Department of Transportation shall review the
16 reasons for the lower mileage and decide whether to
17 terminate the assignment. The Division of Motor Fleet
18 Management may not revoke the assignment of a vehicle to
19 the Department of Transportation or an employee of that
20 Department for failure to meet the minimum mileage
21 requirement unless the Department of Transportation
22 consents to the revocation.

23 Every individual who uses a State-owned passenger
24 motor vehicle, pickup truck, or van to drive between the
25 individual's official work station and his or her home, shall
26 reimburse the State for these trips at a rate computed by the
27 Department. This rate shall approximate the benefit derived
28 from the use of the vehicle as prescribed by federal law.
29 Reimbursement shall be for 20 days per month regardless of
30 how many days the individual uses the vehicle to commute
31 during the month. Reimbursement shall be made by payroll
32 deduction. Funds derived from reimbursement on vehicles
33 owned by the Motor Fleet Management Division shall be
34 deposited to the credit of the Division; funds derived from
35 reimbursements on vehicles initially purchased with
36 appropriations from the Highway Fund and not owned by the
37 Division shall be deposited in a Special Depository Account
38 in the Department of Transportation, which shall revert to the
39 Highway Fund; funds derived from reimbursement on all
40 other vehicles shall be deposited in a Special Depository
41 Account in the Department of Administration which shall
42 revert to the General Fund. Commuting, for purposes of this
43 paragraph, does not include those individuals whose office is
44 in their home, as determined by the Department of
45 Administration, Division of Motor Fleet Management. Also,
46 this paragraph does not apply to the following vehicles: (i)
47 clearly marked police and fire vehicles, (ii) delivery trucks
48 with seating only for the driver, (iii) flatbed trucks, (iv) cargo
49 carriers with over a 14,000 pound capacity, (v) school and
50 passenger buses with over 20 person capacities, (vi)

1 ambulances, (vii) [Repealed]. (viii) bucket trucks, (ix) cranes
2 and derricks, (x) forklifts, (xi) cement mixers, (xii) dump
3 trucks, (xiii) garbage trucks, (xiv) specialized utility repair
4 trucks (except vans and pickup trucks), (xv) tractors, (xvi)
5 unmarked law-enforcement vehicles that are used in
6 undercover work and are operated by full-time, fully sworn
7 law-enforcement officers whose primary duties include
8 carrying a firearm, executing search warrants, and making
9 arrests, ~~and (xvii)–(xvii)~~ any other vehicle exempted under
10 Section 274(d) of the Internal Revenue Code of 1954, and
11 Federal Internal Revenue Services regulations based
12 ~~thereon~~ thereon, or (xviii) the vehicle assigned to the
13 Commissioner of Agriculture, with respect to trips between
14 the Commissioner's home and locations other than the
15 Commissioner's office. The Department of Administration,
16 Division of Motor Fleet Management, shall report quarterly
17 to the Joint Legislative Commission on Governmental
18 Operations and to the Fiscal Research Division of the
19 Legislative Services Office on individuals who use
20 State-owned passenger motor vehicles, pickup trucks, or vans
21 between their official work stations and their homes, who are
22 not required to reimburse the State for these trips.

23 The Department of Administration shall revoke the
24 assignment or require the Department owning the vehicle to
25 revoke the assignment of a State-owned passenger motor
26 vehicle, pickup truck or van to any individual who:

- 27 I. Uses the vehicle for other than official business except
28 in accordance with the commuting rules;
- 29 II. Fails to supply required reports to the Department of
30 Administration, or supplies incomplete reports, or
31 supplies reports in a form unacceptable to the
32 Department of Administration and does not cure the
33 deficiency within 30 days of receiving a request to do
34 so;
- 35 III. Knowingly and willfully supplies false information to
36 the Department of Administration on applications for
37 permanent assignments, commuting reimbursement
38 forms, or other required reports or forms;
- 39 IV. Does not personally sign all reports on forms
40 submitted for vehicles permanently assigned to him or
41 her and does not cure the deficiency within 30 days of
42 receiving a request to do so;
- 43 V. Abuses the vehicle; or
- 44 VI. Violates other rules or policy promulgated by the
45 Department of Administration not in conflict with this
46 act.

47 A new requisition shall not be honored until the Secretary
48 of the Department of Administration is assured that the
49 violation for which a vehicle was previously revoked will not
50 recur.

1 The Department of Administration, with the approval of
2 the Governor, may delegate, or conditionally delegate, to the
3 respective heads of agencies which own passenger motor
4 vehicles or to which passenger motor vehicles are
5 permanently assigned by the Department, the duty of
6 enforcing all or part of the rules adopted by the Department
7 of Administration pursuant to this subdivision 7a. The
8 Department of Administration, with the approval of the
9 Governor, may revoke this delegation of authority.

10 Notwithstanding the provisions of this section and
11 G.S. 14-247, the Department of Administration may allow the
12 organization sanctioned by the Governor's Council on
13 Physical Fitness to conduct the North Carolina State Games
14 to use State trucks and vans for the State Games of North
15 Carolina. The Department of Administration shall not charge
16 any fees for the use of the vehicles for the State Games. The
17 State shall incur no liability for any damages resulting from
18 the use of vehicles under this provision. The organization that
19 conducts the State Games shall carry liability insurance of not
20 less than one million dollars (\$1,000,000) covering such
21 vehicles while in its use and shall be responsible for the full
22 cost of repairs to these vehicles if they are damaged while
23 used for the State Games."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-AGRIC-H1-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

TVA SETTLEMENT FUNDS

SECTION #. In fiscal year 2015-2016, The Department of Agriculture and Consumer Services shall apply for two million two hundred forty thousand dollars (\$2,240,000) from the Tennessee Valley Authority Settlement Agreement in compliance with the requirements of paragraphs 122 through 128 of the Consent Decree entered into by the State in *State of Alabama et al. v. Tennessee Valley Authority*, Civil Action 3:11-cv-00170 in the United States District Court for the Eastern District of Tennessee, and Appendix C to the Compliance Agreement. The funds received by the State shall be allocated as follows:

- (1) Five hundred thousand dollars (\$500,000) to WNC Communities to fund energy efficiency projects for public schools in areas served by the organization. Of the funds allocated in this subdivision, WNC Communities may use up to fifty thousand dollars (\$50,000) for administrative expenses.
- (2) Seven hundred forty thousand dollars (\$740,000) to municipalities with a population less than 1,000 located in counties within the Tennessee Valley Authority Service area that are classified as distressed by the Appalachian Regional Commission, for higher efficiency upgrades to electrical transmission and distribution equipment and facilities.
- (3) One million dollars (\$1,000,000) to the Department of Environment and Natural Resources to provide the nonfederal match to funding from the Natural Resources Conservation Service for projects conducted under the Western North Carolina Stream Initiative in the following counties: Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Swain, Transylvania, Watauga, and Yancey.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-AGRIC-H7-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 ***DISPOSITION OF ROSE HILL LABORATORY PROPERTY***

2 **SECTION #.** Notwithstanding Articles 2 and 7 of Chapter 146 of the General
3 Statutes, the Department of Administration shall sell the building and associated real property
4 formerly used to house the Veterinary Diagnostic Laboratory located in the Town of Rose Hill
5 in Duplin County. The Department of Administration shall credit the receipts to the Department
6 of Agriculture and Consumer Services' General Fund to improve the efficiency and
7 responsiveness of the Department's diagnostic laboratory system, and the net proceeds, once
8 realized, are appropriated for that purpose. The Department of Administration may retain a
9 service charge not greater than ten percent (10%) of the gross proceeds from the sale.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-AGRIC-H6-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 **FARMLAND PRESERVATION FUNDING**

2 **SECTION #.(a)** G.S. 105-277.4 reads as rewritten:

3 "**§ 105-277.4. Agricultural, horticultural and forestland – Application; appraisal at use**
4 **value; appeal; deferred taxes.**

5 ...

6 (c) Deferred Taxes. – Land meeting the conditions for classification under
7 G.S. 105-277.3 must be taxed on the basis of the value of the land for its present use. The
8 difference between the taxes due on the present-use basis and the taxes that would have been
9 payable in the absence of this classification, together with any interest, penalties, or costs that
10 may accrue thereon, are a lien on the real property of the taxpayer as provided in
11 G.S. 105-355(a). The difference in taxes must be carried forward in the records of the taxing
12 unit or units as deferred taxes. The A fee equal to one-third of the deferred taxes for the
13 preceding three fiscal years and the deferred taxes for the preceding three fiscal years are due
14 and payable in accordance with G.S. 105-277.1F when the property loses its eligibility for
15 deferral as a result of a disqualifying event. A disqualifying event occurs when the land fails to
16 meet any condition or requirement for classification or when an application is not approved.
17 The taxing unit shall remit the fee authorized by this subsection, less fifteen percent (15%) that
18 may be retained for administrative costs, to the Department of Agriculture and Consumer
19 Services within 30 days of collection.

20 (c1) Fee. – When the property loses its eligibility for deferral as a result of a
21 disqualifying event, the taxing unit shall assess and collect a fee equal to one-third of the
22 deferred taxes that become due and payable under subsection (c) of this section. The fee is a
23 lien on the real property of the taxpayer as provided in G.S. 105-355(a). The taxing unit shall
24 remit the fee, less fifteen percent (15%) that may be retained for administrative costs, to the
25 Department of Agriculture and Consumer Services within 30 days of collection.

26

27 **SECTION #.(b)** G.S. 106-744 is amended by adding a new subsection to read:

28 "(c4) The Commissioner shall credit amounts remitted to the Department under
29 G.S. 105-277.4(c) to the Trust Fund. These funds may be used only for the purposes set forth in
30 subdivisions (1) and (3) of subsection (c) of this section."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-AGRIC-H2-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

DRUG MANUFACTURING LICENSING AND REGISTRATION FEES

SECTION #.(a) G.S. 106-140.1(h) reads as rewritten:

"(h) The Commissioner shall adopt rules to implement the registration requirements of this section. These rules ~~may~~ shall provide for an annual registration fee of ~~up to five hundred dollars (\$500.00)~~ one thousand dollars (\$1,000) for companies operating as ~~manufacturers, wholesalers, or repackagers.~~ manufacturers or repackagers and ~~seven hundred dollars (\$700.00)~~ for companies operating as wholesalers. The Department of Agriculture and Consumer Services shall use these funds for the implementation of the North Carolina Food, Drug and Cosmetic Act."

SECTION #.(b) G.S. 106-145.4(b) reads as rewritten:

"§ 106-145.4. Application and fee for license.

"(b) Fee. – An application for an initial license or a renewed license as a wholesale distributor shall be accompanied by a nonrefundable fee of ~~five hundred dollars (\$500.00)~~ one thousand dollars (\$1,000) for a manufacturer or ~~three hundred fifty dollars (\$350.00)~~ seven hundred dollars (\$700.00) for any other person."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-AGRIC-H3-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

FOOD MANUFACTURER AND RETAILER INSPECTION FEES

SECTION #. G.S. 106-254 reads as rewritten:

"§ 106-254. **Inspection fees; wholesalers; retailers and cheese factories.**

For the purpose of defraying the expenses incurred in the enforcement of this Article, the owner, proprietor or operator of each ice cream factory where ice cream, milk shakes, milk sherbet, sherbet, water ices, mixes for frozen or semifrozen desserts and other similar frozen or semifrozen food products are made or stored, or any cheese factory or butter-processing plant that disposes of its products at wholesale to retail dealers for resale in this State shall pay to the Commissioner of Agriculture each year an inspection fee of ~~forty dollars (\$40.00)~~ one hundred dollars (\$100.00). Each maker of ice cream, milk shakes, milk sherbet, sherbet, water ices and/or other similar frozen or semifrozen food products who disposes of his product at retail only, and cheese factories, shall pay to the Commissioner of Agriculture an inspection fee of ~~ten dollars (\$10.00)~~ fifty dollars (\$50.00) each year. The inspection fee of ~~ten dollars (\$10.00)~~ fifty dollars (\$50.00) shall not apply to conventional spindle-type milk-shake mixers, but shall apply to milk-shake dispensing and vending machines, which operate on a continuous or automatic basis."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-AGRIC-H5-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

**DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES SPECIAL FUNDS
TRANSFER/OFFSET GENERAL FUND APPROPRIATION**

SECTION #.(a) The Office of State Budget and Management, in conjunction with the Office of the State Controller and the Department of Agriculture and Consumer Services, shall transfer to the General Fund the sum of one million thirty-four thousand four hundred sixty-four dollars (\$1,034,464) from the Research Stations NR Fund (Budget Code 23700-2185), the sum of two hundred seventy-five thousand three hundred ninety-nine dollars (\$275,399) from the Swine Waste Fund (Budget Code 23704-2730).

SECTION #.(b) The transfers in subsection (a) of this section are to offset reductions in General Fund appropriations to the Department of Agriculture and Consumer Services for the 2015-2016 fiscal year.

SECTION #.(c) The Office of State Budget and Management, in conjunction with the Office of the State Controller and the Department of Agriculture and Consumer Services, shall transfer to the General Fund the sum of one million eighty-one thousand one hundred sixty dollars (\$1,081,160) from the Conservation Reserve Enhancement Program fund (Budget Code 23704-2711).

SECTION #.(d) The transfer in subsection (c) of this section is to offset reductions in General Fund appropriations to the Department of Agriculture and Consumer Services for the 2016-2017 fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-ENV-H4-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

PROSPERITY ZONE DENR LIASONS

SECTION #. Section 4.1 of S.L. 2014-18 reads as rewritten:

"SECTION 4.1. No later than January 1, 2015, the Departments of Commerce, Environment and Natural Resources, and Transportation shall have at least one employee physically located in the same office in each of the Collaboration for Prosperity Zones set out in G.S. 143B-28.1 to serve as that department's liaison with the other departments and with local governments, schools and colleges, planning and development bodies, and businesses in that zone. The departments shall jointly select the office. For purposes of this Part, the Department of Commerce may contract with a North Carolina nonprofit corporation pursuant to G.S. 143B-431A, as enacted by this act, to fulfill the departmental liaison requirements for each office in each of the Collaboration for Prosperity ~~Zones~~Zones, and the Department of Environment and Natural Resources shall fulfill the departmental liaison requirements from existing and funded positions.

No later than January 1, 2015, the Community Colleges System Office shall designate at least one representative from a community college or from the Community Colleges System Office to serve as a liaison in each Collaboration for Prosperity Zone for the community college system, the community colleges in the zone, and other educational agencies and schools within the zone. A liaison may be from a business center located in a community college. These liaisons are not required to be colocated with the liaisons from the Departments of Commerce, Environment and Natural Resources, and Transportation.

No later than January 1, 2015, the State Board of Education shall designate at least one representative from a local school administrative unit or from the Department of Public Instruction to serve as a liaison in each Collaboration for Prosperity Zone for the local school administrative units and other public schools within the zone. These liaisons are not required to be colocated with the liaisons from the Departments of Commerce, Environment and Natural Resources, and Transportation."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H2-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

**IMPROVE FINANCIAL MANAGEMENT OF ENVIRONMENTAL STEWARDSHIP
FUNDS THROUGH CONSERVATION GRANT FUND**

SECTION #. G.S. 147-69.2(d) reads as rewritten:

"(d) The State Treasurer may invest funds deposited pursuant to ~~subdivision~~
~~(a)(17i)~~ subdivisions (a)(17i) or (a)(17j) of this section in any of the investments authorized
under subdivisions (1) through (6) and subdivision (8) of subsection (b) of this section. The
State Treasurer may require a minimum deposit, up to one hundred thousand dollars
(\$100,000), and may assess a reasonable fee, not to exceed 15 basis points, as a condition of
participation pursuant to this subsection. Funds deposited pursuant to this subsection shall
remain the funds of the North Carolina Conservation Easement Endowment ~~Fund~~, Fund or the
Conservation Grant Fund, as applicable, and interest or other investment income earned thereon
shall be prorated and credited to the North Carolina Conservation Easement Endowment ~~Fund~~
Fund or the Conservation Grant Fund on the basis of the amounts ~~thereof~~
~~contributed~~, contributed to the respective Funds, figured according to sound accounting
principles."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H3-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 *ALLOW REVENUE GENERATED FROM TIMBER SALE TO BE RETAINED IN A*
2 *NONREVERTING ACCOUNT FOR A PERIOD OF FOUR YEARS*

3 **SECTION #.** The Department of Environment and Natural Resources' Stewardship
4 Program may retain revenue generated from timber harvesting on the Great Coharie property in
5 the Conservation Grant Endowment Interest Fund (6705) for the purpose of restoration and
6 stewardship of that property. Any unused portion of this revenue remaining in the Fund on June
7 30, 2019, shall revert to the General Fund.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H13-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

- 1 *SEPARATE NATURAL HERITAGE PROGRAM FROM CLEAN WATER*
- 2 *MANAGEMENT TRUST FUND*
- 3 SECTION #. G.S. 113A-253(c)(8e) is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H15

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 ***WATER QUALITY REMEDIATION***

2 **SECTION #.** Of the funds appropriated in this Act to the Clean Water
3 Management Trust Fund , the sum of five hundred thousand dollars (\$500,000) shall be used
4 for the remediation and mitigation of stormwater impacts to lakes subject to a Nutrient
5 Management Strategy approved by the Environmental Management Commission.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H14A

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

**SHALLOW DRAFT NAVIGATION CHANNEL DREDGING FUNDING
EARMARK/AQUATIC WEED CONTROL**

SECTION #.(a) G.S. 143-215.73F reads as rewritten:

"§ 143-215.73F. Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund.

(a) Fund Established. – The Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund is established as a special revenue fund. The Fund consists of fees credited to it under ~~G.S. 75A-3, 75A-38, G.S. 75A-3 and G.S. 75A-38 and 105-449.126.~~ taxes credited under G.S. 105-449.126.

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

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

(2) ~~or for~~ For aquatic weed control projects in waters of the State located within lakes under Article 15 of Chapter 113A of the General Statutes. Funding for aquatic weed control projects is limited to five hundred thousand dollars (\$500,000) in each fiscal year.

(c) Cost-Share. – Any project funded by revenue from the Fund must be cost-shared with non-State dollars on a one-to-one basis, provided that the cost-share for a lake located within a component of the State Parks System shall be provided by the Division of Parks and Recreation of the Department of Environment and Natural Resources. The Division of Parks and Recreation may use funds allocated to the State Parks System for capital projects under G.S. 113-44.15 for the cost-share.

(d) Definition. – For purposes of this section, "shallow draft navigation channel" means (i) a waterway connection with a maximum depth of 16 feet between the Atlantic Ocean and a bay or the Atlantic Intracoastal Waterway, (ii) a river entrance to the Atlantic Ocean through which tidal and other currents flow, or (iii) other interior coastal waterways. "Shallow draft navigation channel" includes the Atlantic Intracoastal Waterway and its side channels, Beaufort Harbor, Bogue Inlet, Carolina Beach Inlet, the channel from Back Sound to Lookout Back, channels connected to federal navigation channels, Lockwoods Folly River, Manteo/Shallowbag Bay, including Oregon Inlet, Masonboro Inlet, New River, New Topsail Inlet, Rodanthe, Rollinson, Shallotte River, Silver Lake Harbor, and the waterway connecting Pamlico Sound and Beaufort Harbor.

(e) Designation of Certain Funds. – Of the taxes credited to the Fund under G.S. 105-449.126, the sum of three million five hundred thousand dollars (\$3,500,000) per fiscal year shall be reserved for Oregon Inlet dredging projects. Funds reserved pursuant to this subsection that are unencumbered as of June 30 of the fiscal year in which the funds are reserved may be used for any other purpose permitted by the Fund.

1 **SECTION #.(b)** Of the funds appropriated in this Act for aquatic weed control up
2 to nine hundred thousand dollars (\$900,000) may be made available for aquatic weed control in
3 the State's rivers in the 2015-16 fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H4-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

USE OF OYSTER SHELLS PROHIBITED IN COMMERCIAL LANDSCAPING

SECTION #.(a) Article 20 of Chapter 113 of the General Statutes is amended by adding a new section to read:

"§ 113-270. Use of oyster shells by landscape contractors prohibited.

(a) No landscape contractor shall use oyster shells as a ground cover.

(b) Enforcement of the prohibition set forth in this section shall be under the jurisdiction of the Marine Fisheries Commission.

(c) For purposes of this section, landscape contractor shall have the definition set forth in G.S. 89D-11."

SECTION #.(b) This section is effective October 1, 2015.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H5-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 ***CORE SOUND OYSTER LEASING***

2 **SECTION #.** The Division of Marine Fisheries of the Department of Environment
3 and Natural Resources shall, in consultation with representatives of the commercial fishing
4 industry, representatives of the shellfish aquaculture industry, and relevant federal agencies,
5 create a proposal to open to shellfish cultivation leasing certain areas of Core Sound that are
6 currently subject to a moratorium on shellfish leasing. The Division will submit a report
7 regarding the plan no later than April 1, 2016, to the Joint Legislative Commission on
8 Governmental Operations.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H6-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

AMEND SENATOR JEAN PRESTON MARINE SHELLFISH SANCTUARY
LEGISLATION

SECTION #. Section 44 of S.L. 2014-120 reads as rewritten:

"SENATOR JEAN PRESTON MARINE ~~SHELLFISH~~ OYSTER SANCTUARY
PROGRAM

"SECTION 44.(a) It is the intent of the General Assembly ~~to establish a marine shellfish sanctuary in the Pamlico Sound to be named in honor of former Senator Jean Preston, to be called the "Senator Jean Preston Marine Shellfish Sanctuary."~~ to enhance shellfish habitats within the Albemarle and Pamlico Sounds and their tributaries to benefit fisheries, water quality, and the economy. This will be achieved through the establishment of a network of oyster sanctuaries, harvestable enhancement sites, and coordinated support for the development of shellfish aquaculture. The network of oyster sanctuaries is to be named in honor of Senator Jean Preston and will be called the "Senator Jean Preston Oyster Sanctuary Network".

"SECTION 44.(b) The Division of Marine Fisheries of the Department of Environment and Natural Resources shall ~~designate an area of appropriate acreage within the Pamlico Sound as a recommendation to the Environmental Review Commission for establishment of the "Senator Jean Preston Marine Shellfish Sanctuary" and create a plan for managing the sanctuary that includes~~ develop a plan to construct and manage additional oyster habitats. The new sanctuaries, along with selected existing oyster sanctuaries, will be included in the Senator Jean Preston Oyster Sanctuary Network. The plan will include the following components:

(1) Location and delineation of the ~~sanctuary.~~ oyster sanctuaries. — The plan should include ~~a location~~ locations for the ~~sanctuaries~~ sanctuary network components that ~~minimizes~~ minimize the impact on commercial trawling. ~~In addition, the sanctuary should be gridded into areas leased to private parties for restoration and harvest and areas operated and maintained by the State for restoration that are not open for harvest. The leased and unleased areas should be arranged in a pattern where leased squares are surrounded on four sides by unleased squares.~~ The location of sanctuaries shall take into account connectivity to existing oyster sanctuaries and proposed oyster enhancement sites. New oyster sanctuaries shall be designed to provide hook-and-line fishing while allowing the development of complex fish habitats and brood-stock oysters that will enhance recruitment in the surrounding reefs. The plan should outline a 10-year development project to accomplish the expansion.

(2) Administration. — ~~The plan should include the prices to be charged for the leased portions of the sanctuary, including an administration fee to be retained by the Division to support the leasing and monitoring program. The plan shall also provide that the balance of lease payments collected by the~~

1 ~~Division be transferred to the General Fund with a recommendation that~~
2 ~~some or all of the proceeds be used for the support of the State's special~~
3 ~~education programs in memory of Senator Jean Preston.~~

4 (3) Enhancement of oyster habitat restoration. – The General Assembly finds
5 that the lack of a reliable State-based supply of oyster seed and inadequate
6 funding for cultch planting are limitations to the expansion of oyster
7 harvesting and the restoration of wild oyster habitat in North Carolina.
8 Therefore, the plan should include the following:

9 a. Provisions and recommendations to facilitate the availability of
10 oyster seed produced in North Carolina for wild oyster habitat
11 restoration projects as well as oyster aquaculture and to reduce
12 potential negative impacts from importation of non-native oyster
13 seed.

14 b. Plans, where feasible, for public-private partnerships for State-based
15 production of viable oyster seed through the creation of one or more
16 production hatcheries and recommendations for increased support of
17 the existing research hatchery at UNC-Wilmington.

18 c. Plans and cost estimates for an expansion of cultch planting in
19 suitable areas of the State's coastal waters in order to expand areas
20 suitable for development of wild oyster habitat.

21 (4) Economic relief. – The plan should consider a waiver of application fees and
22 yearly rental fees for new shellfish leases for an established period of time to
23 further promote and support shellfish aquaculture in North Carolina. The
24 new leasing fee waiver program should include measures to discourage
25 speculation and target persons with a genuine interest in starting a shellfish
26 aquaculture business, such as a requirement that the lease be nontransferable
27 for a five-year period.

28 (5) Outreach. – The plan should include outreach and education that promotes,
29 whenever possible, public-private partnerships utilizing the Sea Grant
30 College Program, local colleges, and other nongovernmental organizations
31 to (i) encourage shellfish aquaculture and provide technical assistance to
32 broaden cost-effective technologies available to leaseholders; (ii) encourage
33 best management practices to leaseholders; and (iii) inform fishermen and
34 the public on the benefits provided by the Senator Jean Preston Oyster
35 Sanctuary Network.

36 (6) Monitoring. – The plan should include a monitoring plan designed to (i)
37 determine the success of oyster reef construction and (ii) evaluate the cost
38 benefit of the oyster sanctuary network and harvestable enhancement sites.

39 ~~(3)(7)~~ Funding. – The plan should include a request for appropriations sufficient to
40 provide funds for the construction of appropriate bottom habitat and shellfish
41 seeding and for Division staff necessary to conduct oyster restoration and
42 monitoring activities. The plan should provide that, whenever possible,
43 construction and shellfish seeding be carried out by contract with private
44 entities for Division staff to expand oyster restoration and monitoring
45 activities for 10 years. The plan should provide that, whenever possible,
46 public-private partnerships are employed to meet the construction, seeding,
47 and outreach requirements of the plan.

48 ~~(4)~~ Commercial fisherman relief. – To promote the diversification of
49 commercial fishing opportunities, the plan should include a program to
50 award free or discounted leases under this section to commercial fishermen

1 who (i) have held one or more commercial fishing licenses continually for a
2 period of 10 or more years and (ii) receive at least fifty percent (50%) of
3 their income from commercial fishing with those licenses.

4 (5)(8) Recommendations. – The plan ~~should~~ shall include recommendations for
5 statutory or regulatory changes needed to expedite the expansion of shellfish
6 restoration and harvesting in order to improve water quality, restore
7 ecological habitats, provide enhanced recreational and commercial fishing
8 opportunities, and expand the coastal economy.

9 (9) No funding for sanctuaries in closed areas. – The plan shall provide that no
10 funding or other resources shall be available in water bodies where a
11 moratorium or other legal prohibition on shellfish leasing under Article 16 of
12 Chapter 113 of the General Statutes is currently in effect. This subdivision
13 does not apply to leasing moratoria imposed because the area is closed to
14 shellfish harvesting or recommended for closure by the State Health Director
15 due to pollution.

16 "SECTION 44.(c) No later than ~~December 1, 2014, and quarterly thereafter until~~
17 ~~submission of a final plan to the Environmental Review Commission, March 1, 2016,~~ the
18 Department of Environment and Natural Resources shall report to the ~~Environmental Review~~
19 ~~Commission~~ Chairs of the House of Representatives Appropriations Committee on Agriculture
20 and Natural and Economic Resources, the Senate Appropriations Committee on Natural and
21 Economic Resources, and the Fiscal Research Division regarding its implementation of this
22 section and its recommended plan."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H7-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

SHELLFISH CULTIVATION LEASING REFORM

SECTION #.(a) G.S. 113-202(i) reads as rewritten:

"§ 113-202. New and renewal leases for shellfish cultivation; termination of leases issued prior to January 1, 1966.

...

(i) After a lease application is approved by the Secretary, the applicant shall submit to the Secretary ~~a survey of the area approved for leasing and~~ information sufficient to define the bounds of the area approved for leasing with markers in accordance with the rules of the Commission. ~~The survey information shall conform to standards prescribed by the Secretary concerning accuracy of survey and the amount of detail to be shown. When an acceptable survey information is submitted, the boundaries are marked and all fees and rents due in advance are paid, the Secretary shall execute the lease on forms approved by the Attorney General. The Secretary is authorized, with the approval of the lessee, to amend an existing lease by reducing the area under lease or by combining contiguous leases without increasing the total area leased.~~ The information required by this subsection may be based on coordinate information produced using a device equipped to receive global positioning system data."

SECTION #.(b) G.S. 113-202(j) reads as rewritten:

(j) Initial leases begin upon the issuance of the lease by the Secretary and expire at noon on the first day of July following the ~~fifth-tenth~~ anniversary of the granting of the lease. Renewal leases are issued for a period of ~~five-10~~ years from the time of expiration of the previous lease. At the time of making application for renewal of a lease, the applicant must pay a filing fee of one hundred dollars (\$100.00). The rental for initial leases is one dollar (\$1.00) per acre for all leases entered into before July 1, 1965, and for all other leases until noon on the first day of July following the first anniversary of the lease. Thereafter, for initial leases entered into after July 1, 1965, and from the beginning for renewals of leases entered into after that date, the rental is ten dollars (\$10.00) per acre per year. Rental must be paid annually in advance prior to the first day of April each year. Upon initial granting of a lease, the pro rata amount for the portion of the year left until the first day of July must be paid in advance at the rate of one dollar (\$1.00) per acre per year; then, on or before the first day of April next, the lessee must pay the rental for the next full year."

SECTION #.(c) This section applies to shellfish lease applications received by the Department of Environment and Natural Resources on or after the date this act becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H8-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

DYNAMIC PRICING FOR STATE PARKS AND ATTRACTIONS

SECTION #.(a) G.S. 150B-1(d) is amended by adding a new subdivision to read:

"(27) The Department of Environment and Natural Resources with respect to operating hours, admission fees, or related activity fees at:

a. The North Carolina Zoological Park pursuant to G.S. 143B-335.

b. State Parks pursuant to G.S. 113-35.

c. The North Carolina Aquariums pursuant to G.S. 143B-289.44."

SECTION #.(b) The Department of Environment and Natural Resources shall establish admission fees and related activity fees using a dynamic pricing strategy as defined in subsection (c) of this section. Any rule currently in the Administrative Code related to fees covered by subsection (a) of this section are ineffective and repealed upon the effective date of new admission fees and related activity fees adopted by the Department under the authority set out in subsection (a) of this section. Notice of the initial adoption of new admission fees and related activity fees under subsection (a) of this section shall be given by the Department to the Codifier of Rules, who, upon receipt of notice of the initial adoption of new admission fees and related activity fees by the Department, shall note the repeal of these rules in the Administrative Code.

SECTION #.(c) It is the intent of the General Assembly that the Department of Environment and Natural Resources institute dynamic pricing as a flexible pricing strategy for entrance fees and related activity fees for the North Carolina Zoological Park, State Parks, and the North Carolina Aquariums. Dynamic pricing is the adjustment of fees for admission and related activities from time to time to reflect marketing forces, including seasonal variations and special event interests, with the intent and effect to maximize revenues from use of these State resources to the extent practicable to offset appropriations from the General Assembly.

SECTION #.(d) Nothing in this section is intended to authorize the Department of Environment and Natural Resources to charge new entrance or parking fees at the State Parks or to charge new parking fees at the North Carolina Zoological Park or the North Carolina Aquariums.

SECTION #.(e) This section applies to operating hours revised or admission fees or related activity fees charged on or after the effective date of this act.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-NATRES-H12-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

STATE PARKS BUDGET/POSITIONS

SECTION #. Effective July 1, 2015, the following positions are eliminated:

<u>Position number</u>	<u>Title</u>
60032794	Accounting Clerk V
60033107	Maintenance Mechanic IV
60033166	Community Planner III
60032860	Park Ranger
65020598	Facility Maintenance Supervisor II
65020599	Facility Maintenance Supervisor II
60032862	Park Ranger
60033199	Office Assistant V
60032905	Park Ranger
60032990	Office Assistant III
65011956	Maintenance Mechanic IV
65020681	Law Enforcement Officer
65020682	Maintenance Mechanic II
60032817	Park Ranger
60032949	Regional Trails Specialist
60032989	Office Assistant III
60033209	Park Ranger
60032961	Maintenance Mechanic II
65020704	Law Enforcement Officer
65020707	Office Assistant IV
60032797	Park Ranger
60032822	Maintenance Mechanic III
60032979	Park Ranger
60033242	Processing Assistant IV
60032935	Mechanic II
60032954	Office Assistant IV
60033181	Park Ranger
60032994	Office Assistant IV
60032934	Office Assistant III
60033031	Maintenance Mechanic II
60033235	Maintenance Mechanic I
60033141	Maintenance Mechanic IV
60033099	Park Ranger
60033226	Office Assistant III
60033041	Office Assistant III
60033020	Maintenance Mechanic III

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-ENV-H2-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

WATER INFRASTRUCTURE AUTHORITY REVISIONS

SECTION #.(a) G.S. 159G-20(1) is recodified as G.S. 159G-20(1a), and G.S. 159G-20(1a) is recodified as G.S. 159G-20(1c).

SECTION #.(b) G.S. 159G-20, as amended by subsection (a) of this section, reads as rewritten:

"§ 159G-20. Definitions.

The following definitions apply in this Chapter:

(1) Affordability. – The relative affordability of a project for a community compared to other communities in North Carolina based on factors that may include water and sewer service rates, median household income, poverty rates, employment rates, or the population of the served community.

(1a) Asset management plan. – The strategic and systematic application of management practices applied to the infrastructure assets of a local government unit in order to minimize the total costs of acquiring, operating, maintaining, improving, and replacing the assets while at the same time maximizing the efficiency, reliability, and value of the assets.

(1b) Authority. – The State Water Infrastructure Authority created and established pursuant to Article 5 of this Chapter.

...

~~(9) High unit cost project.~~ – A project that results in an estimated average household user fee for water and sewer service in the area served by the project in excess of the high unit cost threshold. The average household user fee is calculated for a continuous 12-month period.

~~(10) High unit cost threshold.~~ – Either of the following amounts determined on the basis of data from the most recent federal decennial census and updated by the U.S. Department of Housing and Urban Development's annual estimated income adjustment factors:

a. ~~One and one-half percent (1.5%) of the median household income in an area that receives both water and sewer service.~~

b. ~~Three-fourths of one percent (3/4%) of the median household income in an area that receives only water service or only sewer service.~~

...

(13) Local government unit. – Any of the following:

a. A city as defined in G.S. 160A-1.

b. A county.

c. A consolidated city-county as defined in G.S. 160B-2.

d. A county water and sewer district created pursuant to Article 6 of Chapter 162A of the General Statutes.

- e. A metropolitan sewerage district or a metropolitan water district created pursuant to Article 4 of Chapter 162A of the General Statutes.
- f. A water and sewer authority created under Article 1 of Chapter 162A of the General Statutes.
- g. A sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the General Statutes.
- h. A joint agency created pursuant to Part 1 of Article 20 of Chapter 160A of the General Statutes.
- i. A joint agency that was created by agreement between two cities and towns to operate an airport pursuant to G.S. 63-56 and that provided drinking water and wastewater services off the airport premises before 1 January 1995.
- (13a) Merger. – The consolidation of two or more water and/or sewer systems into one system with common ownership, management, and operation.
- (14) Nonprofit water corporation. – A nonprofit corporation that is incorporated under Chapter 55A of the General Statutes solely for the purpose of providing drinking water or wastewater services and is an eligible applicant for a federal loan or grant from the Rural Utility Services Division, U.S. Department of Agriculture.
- (15) Public water system. – Defined in G.S. 130A-313.
- (16) Regionalization. – The physical interconnecting of an eligible entity's wastewater system to another entity's wastewater system for the purposes of providing regional treatment or the physical interconnecting of an eligible entity's public water system to another entity's water system for the purposes of providing regional water supply.
- ~~(16) Reserved.~~
- ...
- (21) Targeted interest rate project. – Either of the following types of projects:
- a. ~~A high unit cost project that is awarded a loan.~~ A project that is awarded a loan from the Drinking Water Reserve or the Wastewater Reserve based on affordability.
- b. A project that is awarded a loan from the CWSRF or the DWSRF and is in a category for which federal law encourages a special focus.

...."

SECTION #.(c) G.S. 159G-23 reads as rewritten:

"§ 159G-23. ~~Common criteria~~Priority consideration for loan or grant from Wastewater Reserve or Drinking Water Reserve.

The ~~criteria~~ considerations for priority in this section apply to a loan or grant from the Wastewater Reserve or the Drinking Water Reserve. The Division of Water Infrastructure must ~~establish a system of assigning points to applications based on the following criteria:~~ consider the following items when evaluating applications:

- (1) Public necessity. – ~~An applicant must explain how the project~~ A project that promotes public health and protects the environment. A project that ~~that~~ improves a system that is not in compliance with permit requirements or is under orders from the Department, enables a moratorium to be lifted, or replaces failing septic tanks with a wastewater collection system has priority.
- (2) Effect on impaired waters. – A project that improves designated impaired waters of the ~~State~~ State.

- (3) Efficiency. – A project that achieves efficiencies in meeting the State's water infrastructure needs or reduces vulnerability to drought consistent with Part 2A of Article 21 and Article 38 of Chapter 143 of the General Statutes by one of the following ~~methods has priority:~~methods:
- a. The combination of two or more wastewater or public water systems into a regional wastewater or public water system by merger, consolidation, or another means.
 - b. Conservation or reuse of water, including bulk water reuse facilities and waterlines to supply reuse water for irrigation and other approved uses.
 - c. Construction of an interconnection between water systems intended for use in drought or other water shortage emergency.
 - d. Repair or replacement of leaking waterlines to improve water conservation and efficiency or to prevent contamination.
 - e. Replacement of meters and installation of new metering systems.
- (4) Comprehensive land-use plan. – A project that is located in a city or county that has adopted or has taken significant steps to adopt a comprehensive land-use plan under Article 18 of Chapter 153A of the General Statutes or Article 19 of Chapter 160A of the General ~~Statutes has priority over a project located in a city or county that has not adopted a plan or has not taken steps to do so.~~Statutes. The existence of a plan has more priority than steps taken to adopt a plan, such as adoption of a zoning ordinance. A plan that exceeds the minimum State standards for protection of water resources has ~~more~~higher priority than one that does not. A project is considered to be located in a city or county if it is located in whole or in part in that unit. A land-use plan is not considered a comprehensive land-use plan unless it has provisions that protect existing water uses and ensure compliance with water quality standards and classifications in all waters of the State affected by the plan.
- (5) Flood hazard ordinance. – A project that is located in a city or county that has adopted a flood hazard prevention ordinance under ~~G.S. 143-215.54A has priority over a project located in a city or county that has not adopted an ordinance.~~G.S. 143-215.54A. A plan that exceeds the minimum standards under G.S. 143-215.54A for a flood hazard prevention ordinance has ~~more~~higher priority than one that does not. A project is considered to be located in a city or county if it is located in whole or in part in that unit. If no part of the service area of a project is located within the 100-year floodplain, the project has ~~the same priority~~equal consideration under this subdivision as if it were located in a city or county that has adopted a flood hazard prevention ordinance. The most recent maps prepared pursuant to the National Flood Insurance Program or approved by the Department determine whether an area is within the 100-year floodplain.
- (6) Sound management. – A project submitted by a local government unit that has demonstrated a willingness and ability to meet its responsibilities through sound fiscal policies and efficient operation and ~~management has priority.~~management.
- (6a) Asset management plan. – A project submitted by a local government unit with more than 1,000 service connections that has developed and is implementing an asset management ~~plan has priority over a project submitted by a local government unit with more than 1,000 service~~

- connections that has not developed or is not implementing an asset management plan.
- (7) Capital improvement plan. – A project that implements the applicant's capital improvement plan for the wastewater system or public water system it manages has priority over a project that does not implement a capital improvement plan. To receive priority, a manages; so long as the capital improvement plan must sets out the applicant's expected water infrastructure needs for at least 10 years.
- (8) Coastal habitat protection. – A project that implements a recommendation of a Coastal Habitat Protection Plan adopted by the Environmental Management Commission, the Coastal Resources Commission, and the Marine Fisheries Commission pursuant to G.S. 143B-279.8 has priority over other projects that affect counties subject to that Plan. G.S. 143B-279.8. If no part of the service area of a project is located within a county subject to that Plan, the project has equal priority under this subdivision with a project that receives priority under this subdivision.
- (9) High unit cost threshold. – A high unit cost project has priority over projects that are not high unit cost projects. The priority given to a high unit cost project shall be set using a sliding scale based on the amount by which the applicant exceeds the high unit cost threshold. Affordability. – The relative affordability of a project for a community compared to other communities in North Carolina.
- (10) Merger and Regionalization. – A project to provide for the planning of regional public water and wastewater systems, to provide for the orderly coordination of local actions relating to public water and wastewater systems, or to help realize economies of scale in regional public water and wastewater systems through consolidation, management, merger, or interconnection of public water and wastewater systems has priority. systems. If an applicant demonstrates that it is not feasible for the project to include regionalization, the funding agency shall assign the project the same priority under this subdivision as a project that includes regionalization.
- (11) State water supply plan. – A project that addresses a potential conflict between local plans or implements a measure in which local water supply plans could be better coordinated, as identified in the State water supply plan pursuant to G.S. 143-355(m), has priority. G.S. 143-355(m).
- (12) Water conservation measures for drought. – A project that includes adoption of water conservation measures by a local government unit that are more stringent than the minimum water conservation measures required pursuant to G.S. 143-355.2 has priority. G.S. 143-355.2.
- (13) Low-income residents. – A project that is located in an area annexed by a municipality under Article 4A of Chapter 160A of the General Statutes in order to provide water or sewer services to low-income residents has priority. For purposes of this section, low income residents are those with a family income that is eighty percent (80%) or less of median family income residents."

SECTION #.(c) G.S. 159G-31 reads as rewritten:

"§ 159G-31. Entities eligible to apply for loan or grant.

(a) A local government unit or a nonprofit water corporation is eligible to apply for a loan or grant from the CWSRF, the DWSRF, the Wastewater Reserve, or the Drinking Water

1 Reserve. An investor-owned drinking water corporation is also eligible to apply for a loan or
2 grant from the DWSRF. Other entities are not eligible for a loan or grant from these accounts.

3 (b) Entities eligible in subsection (a) of this section for grants from the Wastewater
4 Reserve and the Drinking Water Reserve may be limited, based on affordability, to a portion of
5 the total construction costs for the project types defined in G.S. 159G-33(a)(2) and
6 G.S. 159G-34(a)(2).

7 (c) To the extent that funds are available, loans shall be considered for the portion of
8 construction costs not eligible for grant funding."

9 **SECTION #.(d)** G.S. 159G-33(a)(4) is recodified as G.S. 159G-33(a)(5).

10 **SECTION #.(e)** G.S. 159G-33(a), as amended by subsection (d) of this section,
11 reads as rewritten:

12 "(a) Types. – The Department is authorized to make the types of loans and grants listed
13 in this subsection from the Wastewater Reserve. Each type of loan or grant must be
14 administered through a separate account within the Wastewater Reserve.

15 (1) General.—Loan. – A loan or grant is available for a project authorized in
16 G.S. 159G-32(b).

17 (2) High-unit-costProject grant. – A high-unit-costproject grant is available for a
18 portion of the portion of the construction costs of a wastewater collection
19 system project or project, a wastewater treatment works project that results in
20 an estimated average household user fee for water and sewer service in the
21 area served by the project that exceeds the high-unit-cost threshold project,
22 or a stormwater quality project as authorized in G.S. 159G-32(b).

23 (3) Technical assistanceMerger/regionalization feasibility grant. – A technical
24 assistanceemerge/regionalization feasibility grant is available to determine
25 the best way to correct the deficiencies in a wastewater collection system or
26 wastewater treatment works that either is not in compliance with its permit
27 limits or, as identified in the most recent inspection report by the Department
28 under G.S. 143-215.3, is experiencing operational problems and is at risk of
29 violating its permit limits.feasibility of consolidating the management of
30 multiple utilities into a single utility operation or to provide regional
31 treatment and the best way of carrying out the consolidation or
32 regionalization. The Department shall not make a loan or grant under this
33 subdivision for a merger or regionalization proposal that would result in a
34 new surface water transfer regulated under G.S. 143-215.22L.

35 (4) Asset inventory and assessment grant. – An asset inventory and assessment
36 grant is available to inventory the existing water and/or sewer system and
37 document the condition of the inventoried infrastructure.

38 (5) Emergency loan. – An emergency loan is available in the event the Secretary
39 certifies that a serious public health hazard related to the inadequacy of an
40 existing wastewater collection system or wastewater treatment works is
41 present or imminent in a community."

42 **SECTION #.(f)** G.S. 159G-34(a)(4) is recodified as G.S. 159G-34(a)(5).

43 **SECTION #.(g)** G.S. 159G-34(a), as amended by subsection (f) of this section,
44 reads as rewritten:

45 "(a) Types. – The Department is authorized to make the types of loans and grants listed
46 in this section from the Drinking Water Reserve. Each type of loan or grant must be
47 administered through a separate account within the Drinking Water Reserve.

48 (1) General.—Loan. – A loan or grant is available for a project for a public
49 water system.

- 1 (2) ~~High-unit-cost~~Project grant. – A project grant is available for ~~the~~ a portion of
- 2 the construction costs of a public water system project ~~that results in an~~
- 3 ~~estimated average household user fee for water and sewer service in the area~~
- 4 ~~served by the project that exceeds the high-unit-cost threshold as defined in~~
- 5 G.S. 159G-32(c).
- 6 (3) ~~Technical assistance~~Merger/regionalization feasibility grant. – A ~~technical~~
- 7 ~~assistance~~merger/regionalization grant is available to determine the ~~best way~~
- 8 ~~to correct the deficiencies in a public water system that does not comply~~
- 9 ~~with State law or the rules adopted to implement that law.~~feasibility of
- 10 consolidating the management of multiple utilities into a single utility
- 11 operation or to provide regional water supply and the best way of carrying
- 12 out the consolidation or regionalization. The Department shall not make a
- 13 loan or grant under this subdivision for a merger or regionalization proposal
- 14 that would result in a new surface water transfer regulated under
- 15 G.S. 143-215.22L.
- 16 (4) Asset inventory and assessment grant. – An asset inventory and assessment
- 17 grant is available to inventory the existing water and/or sewer system and
- 18 document the condition of the inventoried infrastructure.
- 19 (5) Emergency loan. – An emergency loan is available to an applicant in the
- 20 event the Secretary certifies that either a serious public health hazard or a
- 21 drought emergency related to the water supply system is present or imminent
- 22 in a community."

23 **SECTION #.(h)** G.S. 159G-35 reads as rewritten:

24 **"§ 159G-35. Criteria for loans and grants.**

25 (a) CWSRF and DWSRF. – Federal law determines the criteria for awarding a loan or

26 grant from the CWSRF or the DWSRF. An award of a loan or grant from one of these accounts

27 must meet the criteria set under federal law. The Department is directed to establish through

28 negotiation with the United States Environmental Protection Agency the criteria for evaluating

29 applications for loans and grants from the CWSRF and the DWSRF and the priority assigned to

30 the criteria. The Department must incorporate the negotiated criteria and priorities in the

31 Capitalization Grant Operating Agreement between the Department and the United States

32 Environmental Protection Agency. The criteria and priorities incorporated in the Agreement

33 apply to a loan or grant from the CWSRF or the DWSRF. ~~The common criteria~~priority

34 considerations in G.S. 159G-23 do not apply to a loan or grant from the CWSRF or the

35 DWSRF.

36 (b) Reserves. – ~~The common criteria~~priority considerations in G.S. 159G-23 apply to a

37 loan or grant from the Wastewater Reserve or the Drinking Water Reserve. The Department

38 may establish by rule other criteria that apply to a loan or grant from the Wastewater Reserve

39 or the Drinking Water Reserve."

40 **SECTION #.(i)** G.S. 159G-36(c) reads as rewritten:

41 "(c) Reserve Recipient Limit. – The following limits apply to ~~a~~the loan or grant types

42 made from the Wastewater Reserve or the Drinking Water Reserve to the same local

43 government unit or nonprofit water corporation:

- 44 (1) The amount of loans awarded for a fiscal year may not exceed three million
- 45 dollars (\$3,000,000).
- 46 (2) The amount of loans awarded for three consecutive fiscal years for targeted
- 47 interest rate projects may not exceed three million dollars (\$3,000,000).
- 48 (3) The amount of ~~high-unit-cost~~project grants awarded for three consecutive
- 49 fiscal years may not exceed three million dollars (\$3,000,000).

- 1 (4) The amount of ~~technical assistance~~merger/regionalization feasibility grants
2 awarded for three consecutive fiscal years may not exceed fifty thousand
3 dollars (\$50,000).
4 (5) The amount of asset inventory and assessment grants awarded for three
5 consecutive fiscal years may not exceed one hundred fifty thousand dollars
6 (\$150,000)."

7 **SECTION #.(j)** The Division of Water Infrastructure of the Department of
8 Environment and Natural Resources shall report to the Environmental Review Commission and
9 the Fiscal Research Division regarding its implementation of the relative affordability of
10 projects criteria for grants from the Wastewater Reserve or Drinking Water Reserve set forth in
11 G.S. 159G-23(9), as amended by this section, within 30 days of the adoption of the
12 affordability criteria.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-ENV-H5-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 ***WATER INFRASTRUCTURE STATE MATCH SURPLUS FUNDS***

2 **SECTION #.** Notwithstanding G.S. 159G-22, funds appropriated in this act to the
3 Division of Water Infrastructure for the Clean Water State Revolving Fund and the Drinking
4 Water State Revolving Fund to provide State matching funds that are in excess of the amount
5 required to draw down the maximum amount of federal capitalization grant funds may be used
6 for State water and wastewater infrastructure grants awarded from the Wastewater Reserve and
7 the Drinking Water Reserve that benefit rural and economically distressed areas of the State.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-ENV-H3-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

COAL ASH MANAGEMENT FUNDS

SECTION #. Notwithstanding G.S. 62-302.1(d), of the funds remaining in the Coal Combustion Residuals Fund at the end of fiscal year 2014-2015, the sum of three hundred ninety-seven thousand dollars (\$397,000) of the cash balance remaining on June 30, 2015, shall be made available to reimburse the Department of Environment and Natural Resources on a quarterly basis in fiscal year 2015-2016 to carry out the duties in Part 21 of Article 9 of Chapter 103A of the General Statutes. The first quarter distribution shall be made no later than August 1, 2015, and every three months thereafter. These funds are in addition to the one million seven hundred fifty thousand dollars (\$1,750,000) appropriation to the Department from the Coal Combustion Residuals Fund.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-ENV-H6-P

Environment and Natural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES/CLOSE CERTAIN
SPECIAL FUNDS**

SECTION #.(a) The Office of State Budget and Management, in conjunction with the Office of the State Controller and the Department of Environment and Natural Resources, shall transfer the unencumbered cash balances in the following funds as of June 30, 2015, to the General Fund and then close each of these special funds:

- (1) Mining Fees (Special Fund Code 24300-2745).
- (2) Mining Interest (Special Fund Code 24300-2610).
- (3) Storm Water Permits (Special Fund Code 24300-2750).
- (4) UST Soil Permitting (Special Fund Code 24300-2391).

SECTION #.(b) G.S. 74-54.1(b) reads as rewritten:

"(b) ~~The Mining Account is established as a nonreverting account within the Department.~~ Fees collected under this section shall be credited to the Mining Account General Fund and shall be applied to the costs of administering this Article."

SECTION #.(c) G.S. 130A-309.17(i) is repealed.

SECTION #.(d) G.S. 143-215.3A(a) reads as rewritten:

"(a) The Water and Air Quality Account is established as an account within the Department. Revenue in the Account shall be applied to the costs of administering the programs for which the fees were collected. Revenue credited to the Account pursuant to G.S. 105-449.43, G.S. 105-449.125, and G.S. 105-449.136 shall be used to administer the air quality program. Any funds credited to the Account from fees collected for laboratory facility certifications under G.S. 143-215.3(a)(10) that are not expended at the end of each fiscal year for the purposes for which these fees may be used under G.S. 143-215.3(a)(10) shall revert. Any other funds credited to the Account that are not expended at the end of each fiscal year shall not revert. Except for the following fees, all application fees and permit administration fees collected by the State for permits issued under Articles 21, 21A, 21B, and 38 of this Chapter shall be credited to the Account:

- (1) Fees collected under Part 2 of Article 21A and credited to the Oil or Other Hazardous Substances Pollution Protection Fund.
- (2) Fees credited to the Title V Account.
- (3) Repealed by Session Laws 2005-454, s. 7, effective January 1, 2006.
- (4) Fees collected under G.S. 143-215.28A.
- (5) Fees collected under G.S. 143-215.94C shall be credited to the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund.
- (6) Fees collected under G.S. 143-215.3D for the following permits and certificates shall be credited to the General Fund for use by the Department to administer the program for which the fees were collected:
 - a. Stormwater permits and certificates of general permit coverage authorized under G.S. 143-214.7.

1 b. Permits to apply petroleum contaminated soil to land authorized
2 under G.S. 143-215.1."
3 **SECTION #.(e)** The transfers in subsection (a) of this section are to offset
4 reductions in General Fund appropriations to the Department of Environment and Natural
5 Resources for the 2015-2016 fiscal year. Fee receipts previously deposited to the funds listed in
6 subsection (a) shall be budgeted to support the programs and functions previously supported by
7 those funds.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H11-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

EDPNC STATE BUDGET ACT EXEMPTION

SECTION #. G.S. 143B-431.01(b) reads as rewritten:

"(b) Contract. – The Department of Commerce is authorized to contract with a North Carolina nonprofit corporation to perform one or more of the Department's functions, powers, duties, and obligations set forth in G.S. 143B-431, except as provided in this subsection. The contract entered into pursuant to this section between the Department and the Economic Development Partnership of North Carolina is exempt from Articles 3 and 3C of Chapter 143 of the General Statutes. ~~Statutes and G.S. 143C-6-23.~~ If the Department contracts with a North Carolina nonprofit corporation to promote and grow the travel and tourism industries, then all funds appropriated to the Department for tourism marketing purposes shall be used for a research-based, comprehensive marketing program directed toward consumers in key markets most likely to travel to North Carolina and not for ancillary activities, such as statewide branding and business development marketing. The Department may not contract with a North Carolina nonprofit corporation regarding any of the following:

- (1) The obligation or commitment of funds under this Article, such as the One North Carolina Fund, the Job Development Investment Grant Program, the Industrial Development Fund, or the Job Maintenance and Capital Development Fund.
- (2) The Division of Employment Security, including the administration of unemployment insurance.
- (3) The functions set forth in G.S. 143B-431(a)(2).
- (4) The administration of funds or grants received from the federal government or its agencies."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H29-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

***COMMERCE STUDY TIME SPENT ADMINISTERING PROGRAMS SUPPORTED BY
FEDERAL FUNDS***

SECTION #.(a) The Department of Commerce shall study the amount of time all persons in General Fund-supported positions spend performing duties related to the operation and administration of programs that receive federal funds, including the Division of Employment Security and the Division of Workforce Solutions, to determine whether some or all of the costs related to the performance of these duties should be supported by federal indirect cost receipts and, therefore, should be paid for with federal funds instead of General Fund appropriations.

SECTION #.(b) No later than March 1, 2016, the Department of Commerce shall report the findings of the study required under subsection (a) of this section to the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H25-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

DEPARTMENT OF COMMERCE/CONFORMING STATUTORY CHANGES

SECTION #.(a) G.S. 20-81.12 reads as rewritten:

"§ 20-81.12. Collegiate insignia plates and certain other special plates.

...

(b124) Travel and Tourism. – The Division must receive 300 or more applications for the "Travel and Tourism" plate before the plate may be developed. The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of "Travel and Tourism" plates to the ~~Division of Tourism, Film, and Sports Development~~ Department of Commerce to be used for programs in support of travel and tourism in North Carolina.

...."

SECTION #.(b) G.S. 143B-434.2 reads as rewritten:

"§ 143B-434.2. Travel and Tourism Policy Act.

...

(d) The Department of Commerce, and the ~~Division of Tourism, Film, and Sports Development~~ within that Department, nonprofit corporation with whom the Department contracts pursuant to G.S. 143B-431.01(b) to promote and market tourism, shall implement the policies set forth in this section. The ~~Division of Tourism, Film, and Sports Development~~ nonprofit corporation shall make an annual report to the General Assembly regarding the status of the travel and tourism industry in North Carolina; the report shall be submitted to the General Assembly by October 15 of each year beginning ~~October 15, 2011~~ October 15, 2015. The duties and responsibilities of the ~~Department of Commerce~~ through the Division of Tourism, Film, and Sports Development nonprofit corporation shall be to:

- (1) Organize and coordinate programs designed to promote tourism within the State and to the State from other states and foreign countries.
- (2) Measure and forecast tourist volume, receipts, and impact, both social and economic.
- (3) Develop a comprehensive plan to promote tourism to the State.
- (4) Encourage the development of the State's tourism infrastructure, facilities, services, and attractions.
- (5) Cooperate with neighboring states and the federal government to promote tourism to the State from other countries.
- (6) Develop opportunities for professional education and training in the tourism industry.
- (7) Provide advice and technical assistance to local public and private tourism organizations in promoting tourism to the State.
- (8) Encourage cooperation between State agencies and private individuals and organizations to advance the State's tourist interests and seek the views of

these agencies and the private sector in the development of State tourism programs and policies.

(9) Give leadership to all concerned with tourism in the State.

(10) Perform other functions necessary to the orderly growth and development of tourism.

(11) Develop informational materials for visitors which, among other things, shall:

a. Describe the State's travel and tourism resources and the State's history, economy, political institutions, cultural resources, outdoor recreational facilities, and principal festivals.

b. Urge visitors to protect endangered species, natural resources, archaeological artifacts, and cultural treasures.

c. Instill the ethic of stewardship of the State's natural resources.

(12) Foster an understanding among State residents and civil servants of the economic importance of hospitality and tourism to the State.

(13) Work with local businesses, including banks and hotels, with educational institutions, and with the United States Travel and Tourism Administration, to provide special services for international visitors, such as currency exchange facilities.

(14) Encourage the reduction of architectural and other barriers which impede travel by physically handicapped persons."

SECTION #.(c) G.S. 143B-472.35 reads as rewritten:

"§ 143B-472.35. Establishment of fund; use of funds; application for grants; disbursal; repayment; inspections; rules; reports.

...

(a2) Definitions. – For purposes of this section, the following definitions shall apply:

...

(9) Main Street Center. – The agency within the North Carolina Department of ~~Commerce, Office of Urban Development,~~Commerce which receives applications and makes decisions with respect to Main Street Solutions Fund grant applications from eligible local governments.

...."

SECTION #.(d) The Department of Commerce shall, in accordance with Article 2A of Chapter 150B of the General Statutes, amend its rules to reflect the division name changes provided for in this act.

SECTION #.(e) The Revisor of Statutes may conform names and titles changed by this section, and may correct statutory references as required by this section, throughout the General Statutes. In making the changes authorized by this section, the Revisor may also adjust subject and verb agreement and the placement of conjunctions.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H17-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

NER BLOCK GRANTS/2016 AND 2017 PROGRAM YEARS

SECTION #.(a) Appropriations from federal block grant funds are made for the fiscal years ending June 30, 2016, and June 30, 2017, according to the following schedule:

COMMUNITY DEVELOPMENT BLOCK GRANT

01. State Administration	\$ 1,037,500
02. Economic Development	15,737,500
03. Infrastructure	26,725,000

TOTAL COMMUNITY DEVELOPMENT

BLOCK GRANT – 2016 Program Year **\$ 43,500,000**

2017 Program Year **\$ 43,500,000**

SECTION #.(b) Decreases in Federal Fund Availability. – If federal funds are reduced below the amounts specified in this section after the effective date of this act, then every program in each of these federal block grants shall be reduced by the same percentage as the reduction in federal funds.

SECTION #.(c) Increases in Federal Fund Availability. – Any block grant funds appropriated by the Congress of the United States in addition to the funds specified in this section shall be expended as follows: each program category under the Community Development Block Grant shall be increased by the same percentage as the increase in federal funds.

SECTION #.(d) Limitations on Community Development Block Grant Funds. – Of the funds appropriated in this section for the Community Development Block Grant, the following shall be allocated in each category for each program year: up to one million thirty-seven thousand five hundred dollars (\$1,037,500) may be used for State Administration; up to fifteen million seven hundred thirty-seven thousand five hundred dollars (\$15,737,500) may be used for Economic Development; and up to twenty-six million seven hundred twenty-five thousand dollars (\$26,725,000) may be used for Infrastructure. If federal block grant funds are reduced or increased by the Congress of the United States after the effective date of this act, then these reductions or increases shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.

SECTION #.(e) The Department of Commerce shall consult with the Joint Legislative Commission on Governmental Operations prior to reallocating Community Development Block Grant Funds. Notwithstanding the provisions of this subsection, whenever the Director of the Budget finds that:

- (1) A reallocation is required because of an emergency that poses an imminent threat to public health or public safety, the Director of the Budget may

1 authorize the reallocation without consulting the Commission. The
2 Department of Commerce shall report to the Commission on the reallocation
3 no later than 30 days after it was authorized and shall identify in the report
4 the emergency, the type of action taken, and how it was related to the
5 emergency.

- 6 (2) The State will lose federal block grant funds or receive less federal block
7 grant funds in the next fiscal year unless a reallocation is made. The
8 Department of Commerce shall provide a written report to the Commission
9 on the proposed reallocation and shall identify the reason that failure to take
10 action will result in the loss of federal funds. If the Commission does not
11 hear the issue within 30 days of receipt of the report, the Department may
12 take the action without consulting the Commission.

13 **SECTION #.(f)** By September 1, 2015, and September 1, 2016, the Department of
14 Commerce shall report to the Joint Legislative Commission on Governmental Operations and
15 the Fiscal Research Division on the use of Community Development Block Grant Funds
16 appropriated in the prior fiscal year. The report shall include the following:

- 17 (1) A discussion of each of the categories of funding and how the categories
18 were selected, including information on how a determination was made that
19 there was a statewide need in each of the categories.
20 (2) Information on the number of applications that were received in each
21 category and the total dollar amount requested in each category.
22 (3) A list of grantees, including the grantee's name, county, category under
23 which the grant was funded, the amount awarded, and a narrative description
24 of the project.

25 **SECTION #.(g)** For purposes of this section, eligible activities under the category
26 of Infrastructure in subsection (a) of this section shall be defined as provided in the HUD State
27 Administered Community Development Block Grant definition of the term "infrastructure".
28 Notwithstanding the provisions of subsection (e) of this section, funds allocated to the
29 Infrastructure category in subsection (a) of this section shall not be reallocated to any other
30 category.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H10-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

***USE OF DEOBLIGATED COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
AND SURPLUS FEDERAL ADMINISTRATIVE FUNDS***

SECTION #.(a) Throughout each year, deobligated funds arise in the various funding categories and program years of the Community Development Block Grant (CDBG) program as a result of (i) projects coming in under budget, (ii) projects being cancelled, or (iii) projects being required to repay funds. Surplus federal administrative funds in the CDBG program may vary from year-to-year based upon the amount of State-appropriated funds allocated and the amount of eligible in-kind funds identified.

SECTION #.(b) To allow the Department of Commerce and the Department of Environment and Natural Resources to quickly deploy deobligated and surplus federal administrative funds as they are identified throughout the program year, the following shall apply to the use of deobligated CDBG funds and surplus federal administrative funds:

- (1) All surplus federal administrative funds shall be divided equally between the Departments of Commerce and Environment and Natural Resources and shall be used as provided in subdivisions (2) and (3) of this subsection.
- (2) All deobligated funds allocated to the Department of Commerce and any surplus federal administrative funds, as provided for in subdivision (1) of this subsection, may be used by the Department for all of the following:
 - a. To issue grants in the CDBG economic development program category.
 - b. For providing training and guidance to local governments relative to the CDBG program, its management, and administrative requirements.
 - c. For any other purpose consistent with the Department's administration of the CDBG program if an equal amount of State matching funds is available.
- (3) All deobligated funds allocated to the Department of Environment and Natural Resources and any surplus federal administrative funds, as provided for in subdivision (1) of this subsection, may be used by the Department for all of the following:
 - a. To issue grants in the CDBG infrastructure program category.
 - b. For any other purpose consistent with the Department's administration of the CDBG program if an equal amount of State matching funds is available.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H16-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

**UNDERSERVED AND LIMITED RESOURCE COMMUNITIES/ECONOMIC
DEVELOPMENT GRANTS**

SECTION #. Article 10 of Chapter 143B of the General Statutes is amended by adding a new Part to read as follows:

"PART 23.

"UNDERSERVED AND LIMITED RESOURCE COMMUNITIES.

"§ 143B-472.135. Competitive Grant Program.

(a) The Department of Commerce shall establish an Economic Development Competitive Grant Program for Underserved and Limited Resource Communities. The purpose of the Program is to provide grants to local governments and nonprofit organizations to encourage the development of economic development activities, services, and projects that benefit underserved populations and limited resource communities across the State.

(b) The Department shall develop guidelines and procedures for the administration and distribution of funds allocated to the Economic Development Competitive Grant Program for Underserved and Limited Resource Communities that include, at a minimum, the following:

- (1) Eligible organizations shall be nonprofit organizations and local governments that target underserved populations or limited resource communities.
- (2) Eligible organizations shall make their application in accordance with procedures established by the Department.
- (3) Eligible organizations shall not use funds allocated in this section for renting or purchasing land or buildings or for financing debt.
- (4) Priority shall be given to eligible organizations that demonstrate established community partnerships and business involvement.
- (5) Priority shall be given to eligible organizations that match funds or have at least one other significant source of funding.
- (6) Priority shall be given to eligible organizations that prioritize independent fund-raising to achieve financial sustainability apart from State-funded appropriations.

(c) By September 1 of each year, the Department shall submit a report on the following prior fiscal year activities to the Chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources and the Senate Appropriations Committee on Natural and Economic Resources and the Fiscal Research Division:

- (1) The number of grants awarded.
- (2) The name of each grantee, and the city and county in which the grantee is located.
- (3) A description of the economic development activity, service, or project undertaken by the grantee.

- 1 (4) The names of the community partners or businesses involved in the
2 economic development activity, service, or project, and a description of the
3 ways in which the partners or businesses contributed to the activity, service,
4 or project.
5 (5) The amount of matching funds or other significant source of funding
6 provided by the grantee."
7 **§ 143B-472.136 through 143B-472.140: Reserved for future codification.**

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H28-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

***FUNDS TO CERTAIN COUNTIES FOR APPALACHIAN REGIONAL COMMISSION
MATCH***

SECTION #.(a) Of the funds appropriated in this act to the Department of Commerce for the Rural Grant Program Expansion for the 2015-2016 fiscal year, the sum of two hundred fifty-three thousand nine hundred fifty-six dollars (\$253,956) in nonrecurring funds shall be allocated to the following counties to be used for the Appalachian Regional Commission match requirement:

(1)	Cherokee	\$63,606
(2)	Graham	103,450
(3)	Rutherford	43,450
(4)	Swain	43,450.

SECTION #.(b) The match funds provided for in subsection (a) of this section shall be used for infrastructure projects only.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H27-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

***LABOR AND ECONOMIC ANALYSIS DIVISION/VACANT POSITIONS TO BE
RECEIPT-SUPPORTED***

SECTION #.(a) Beginning July 1, 2015, the following vacant positions in the Department of Commerce, Labor and Economic Analysis Division, which are partially supported by General Fund appropriations and partially funded by receipts, shall become fully receipt-supported:

- 60080027 – Administrative Assistant I
- 60080007 – Bus. & Tech. Applic. Analyst
- 60080008 – Bus. & Tech. Applic. Analyst
- 60079991 – Bus. & Tech. Applic. Specialist
- 60081028 – Bus. & Tech. Applic. Specialist
- 60080988 – Economist
- 60079956 – Office Assistant IV
- 60079968 – Outreach and Training Manager
- 60081029 – Policy Analyst
- 60081194 – Policy Analyst
- 60079989 – Social/Clinical Research Assistant
- 60079953 – Social/Clinical Research Specialist
- 60079960 – Social/Clinical Research Specialist
- 60079975 – Social/Clinical Research Specialist
- 60079978 – Social/Clinical Research Specialist
- 60079967 – Social/Clinical Research Manager
- 60079951 – Social/Clinical Research Executive.

SECTION #.(b) The Secretary of the Department of Commerce shall reconfigure the vacant positions described in subsection (a) of this section, as needed, to ensure that the positions are fully receipt-supported.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H7-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

MODIFY ECONOMIC DEVELOPMENT GRANT REPORT

SECTION #.(a) G.S. 143B-437.07 reads as rewritten:

"§ 143B-437.07. Economic development grant reporting.

(a) Report. – The Department of Commerce must publish on or before October 1 of each year the information required by this subsection, itemized by business entity, for each business or joint private venture to which the State has, in whole or in part, granted one or more economic development incentives during the ~~previous fiscal year~~ relevant time period. The relevant time period ends June 30 preceding the publication date of this subsection and begins (i) for incentives not awarded under Part 2G of this Article with the 2007 calendar year and (ii) for incentives awarded under Part 2G of this Article with the 2002 calendar year. The information in the report must include all of the following:

...

(3) The name, mailing address, telephone number, and Web site of the business recipient, or recipients if a joint venture, and the physical location of the site receiving the incentive. If the physical location of the site is undecided, then the name of the county in which the site will be located. The information regarding the physical location must indicate whether the physical location is a new or expanded facility.

(3a) A determination of whether the award is to a business that is new to the State or an expansion of an existing business within the State.

...."

SECTION #.(b) This section is effective for reports published for fiscal years beginning on or after July 1, 2015.

GENERAL ASSEMBLY OF NORTH CAROLINA

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DRAFT
SPECIAL PROVISION



2015-COMM-H12A-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

WORKFORCE DEVELOPMENT BOARDS/CHANGES TO CONFORM WITH FEDERAL LAW

SECTION #.(a) G.S. 143B-438.10 reads as rewritten:

"§ 143B-438.10. ~~Commission on Workforce Development.~~ NCWorks Commission.

(a) Creation and Duties. – There is created within the Department of Commerce the ~~North Carolina Commission on Workforce Development.~~ NCWorks Commission (hereinafter "Commission"). The Commission shall have the following powers and duties:

...

(9) To serve as the State's Workforce Investment Board for purposes of the federal ~~Workforce Investment Act of 1998.~~ Workforce Innovation and Opportunity Act.

...

(13) To develop performance accountability measures for local workforce development boards consistent with the requirements of Section 116 of the Workforce Innovation and Opportunity Act and to recommend to the Governor sanctions against local workforce development boards that fail to meet the performance accountability measures.

(14) To develop fiscal control and fund accounting procedures for local workforce development boards consistent with the requirements of Section 184 of the Workforce Innovation and Opportunity Act and to recommend to the Governor sanctions against local workforce development boards that fail to meet the fiscal control and fund accounting procedures.

(b) ~~Membership; Terms.~~ Effective January 1, 2013, the Membership. – The ~~Commission on Workforce Development~~ shall consist of ~~25~~ 33 members appointed as follows:

(1) By virtue of their offices, the following ~~department and agency heads or their respective designees~~ persons, or their designees, shall serve on the Commission: ~~the~~

a. The Governor.

b. The Secretary of the Department of Administration, ~~the Administration.~~

c. The Secretary of the Department of Commerce.

d. The Secretary of the Department of Health and Human Services, ~~the Services.~~

e. The Superintendent of Public Instruction, ~~the Instruction.~~

f. The President of the Community Colleges System Office, ~~the Commissioner of the Department of Labor, and the Secretary of the Department of Commerce.~~ Office.

g. The President of The University of North Carolina System.

- (2) ~~The Pursuant to the provisions of Section 101 of the Workforce Innovation and Opportunity Act, the Governor shall appoint 19-26 members as follows:~~
- a. ~~Two Seventeen members representing public, postsecondary, and vocational education business and industry in the State.~~
 - b. ~~One member Seven members representing community-based organizations the workforce in the State.~~
 - c. ~~Three members representing labor One member representing local elected city officials in the State.~~
 - d. ~~Thirteen members representing business and industry One member representing local elected county officials in the State.~~

(3) ~~The terms of the members appointed by the Governor shall be for four years.~~

(b1) Terms. – The persons listed in subdivision (1) of subsection (b) of this section shall serve on the Commission while they hold their respective offices. The terms of the members appointed by the Governor pursuant to subdivision (2) of subsection (b) of this section shall be for four years, except as provided in this subsection. The terms shall be staggered and shall begin on August 1 and expire on July 31. Upon the expiration of the term of each member in subdivision (2) of subsection (b) of this section, the Governor shall fill the vacancy by reappointing the member or appointing another person of like qualification to serve a four-year term. If a vacancy occurs for any reason other than the expiration of the member's term, the Governor shall appoint a person of like qualification to serve for the remainder of the unexpired term.

In order to provide for staggered terms, six persons appointed to the positions designated in sub-subdivision a. of subdivision (2) of subsection (b) of this section and three persons appointed to the positions designated in sub-subdivision b. of subdivision (2) of subsection (b) of this section shall be appointed for initial terms ending on July 31, 2019. Five persons appointed to the positions designated in sub-subdivision a. of subdivision (2) of subsection (b) of this section, two persons appointed to the positions designated in sub-subdivision b. of subdivision (2) of subsection (b) of this section, and one person appointed to the position designated in sub-subdivision c. of subsection (2) of subsection (b) of this section shall be appointed for initial terms ending on July 31, 2017. Six persons appointed to the positions designated in sub-subdivision a. of subdivision (2) of subsection (b) of this section, two persons appointed to the positions designated in sub-subdivision b. of subdivision (2) of subsection (b) of this section, and one person appointed to the position designated in sub-subdivision d. of subdivision (2) of subsection (b) of this section shall be appointed for initial terms ending on July 31, 2016.

...."

SECTION #.(b) The terms of office of the Commissioner of the Department of Labor and the 19 public members appointed by the Governor and currently serving on the North Carolina Commission on Workforce Development shall expire on July 31, 2015.

SECTION #.(c) G.S. 143B-438.11 reads as rewritten:

"§ 143B-438.11. Local Workforce Development Boards.

(a) Duties. – Local Workforce Development Boards shall have the following powers and duties:

...

(7) To serve as the Workforce Investment Board for the designated substate area for the purpose of the federal Workforce ~~Investment Act of 1998~~ Innovation and Opportunity Act.

(7a) To designate through a competitive selection process, by no later than July 1, 2014, the providers of adult and dislocated worker services authorized in the Workforce ~~Investment Act of 1998~~ Innovation and Opportunity Act.

(8) To provide the appropriate guidance and information to Workforce ~~Investment~~ Innovation and Opportunity Act consumers to ensure that they are prepared and positioned to make informed choices in selecting a training provider. Each local Workforce Development Board shall ensure that consumer choice is properly maintained in the one-stop centers and that consumers are provided the full array of public and private training provider information.

...

(10) To comply with the performance accountability measures established by the NCWorks Commission pursuant to Section 116 of the Workforce Innovation and Opportunity Act.

(11) To comply with the fiscal control and fund accounting procedures established by the NCWorks Commission pursuant to Section 184 of the Workforce Innovation and Opportunity Act.

(b) Members. – Members of local Workforce Development Boards shall be appointed by local elected officials in accordance with criteria established by the Governor and with provisions of the federal Workforce ~~Investment~~ Innovation and Opportunity Act. The local Workforce Development Boards shall have a majority of business members and shall also include representation of workforce and education providers, labor organizations, community-based organizations, and economic development boards as determined by local elected officials. The Chairs of the local Workforce Development Boards shall be selected from among the business members.

(c) Assistance. – The ~~North Carolina Commission on Workforce Development~~ NCWorks Commission and the Department of Commerce shall provide programmatic, technical, and other assistance to any local Workforce Development Board that realigns its service area with the boundaries of a local regional council of governments established pursuant to G.S. 160A-470."

SECTION #.(d) G.S. 96-32 reads as rewritten:

"§ 96-32. Common follow-up information management system created.

...

(d) The LEAD shall do the following:

(1) Collaborate with the ~~Commission on Workforce Development~~ NCWorks Commission to develop common performance measures across workforce programs in the Department of Commerce, the Department of Health and Human Services, the Community Colleges System Office, the Department of Administration, and the Department of Public Instruction that can be tracked through the CFS in order to assess and report on workforce development program performance.

...."

SECTION #.(e) G.S. 143B-157 reads as rewritten:

"§ 143B-157. Commission for the Blind – creation, powers and duties.

There is recreated the Commission for the Blind of the Department of Health and Human Services with the power and duty to adopt rules governing the conduct of the State's rehabilitative programs for the blind that are necessary to carry out the provisions and purposes of this Article.

...

(3e) The Commission shall coordinate with other councils within the State, including the statewide Independent Living Council established under section 705 of the federal Rehabilitation Act, 29 U.S.C. § 720, et seq., the advisory panel established under section 612(a)(21) of the Individuals with

Disabilities Education Act, 20 U.S.C. § 1413(A)(12), the Council on Developmental Disabilities described in section 124 of the Developmental Disabilities Assistance and Bill of Rights Act, 42 U.S.C. § 6024, the State Mental Health Planning Council established pursuant to section 1916(e) of the Public Health Service Act, 42 U.S.C. § 300x-4(e), and the ~~Commission on Workforce Development~~; NCWorks Commission;

...."

SECTION #.(f) G.S. 143B-158 reads as rewritten:

"§ 143B-158. Commission for the Blind.

(a) The Commission for the Blind of the Department of Health and Human Services shall consist of 19 members as follows:

...

(12) One representative of the ~~Commission on Workforce Development~~; NCWorks Commission.

...."

SECTION #.(g) G.S. 143B-438.12 reads as rewritten:

"§ 143B-438.12. Federal Program Administration.

(a) Federal Workforce ~~Investment~~ Innovation and Opportunity Act. – In accordance with the federal Workforce ~~Investment~~ Innovation and Opportunity Act, the ~~Commission on Workforce Development~~ NCWorks Commission shall develop a ~~Five Year Strategic Plan~~ Four-Year Unified State Plan to be submitted to the U.S. Secretary of Labor. The ~~Strategic Plan~~ Unified State Plan shall describe the ~~workforce development activities to be undertaken in the State to implement the federal Workforce Investment Act and how special populations shall be served.~~ State's strategic vision and goals for preparing an educated and skilled workforce as required in Section 102 of the federal Workforce Innovation and Opportunity Act.

(b) Other Workforce Grant Applications. – The ~~Commission on Workforce Development~~ NCWorks Commission may submit grant applications for workforce development initiatives and may manage the initiatives and demonstration projects."

SECTION #.(h) G.S. 143B-438.13 reads as rewritten:

"§ 143B-438.13. Employment and Training Grant Program.

(a) Employment and Training Grant Program. – There is established in the Department of Commerce, Division of ~~Employment and Training~~ Workforce Solutions, an Employment and Training Grant Program. Grant funds shall be allocated to local Workforce Development Boards for the purposes of enabling recipient agencies to implement local employment and training programs in accordance with existing resources, local needs, local goals, and selected training occupations. The State program of workforce performance standards shall be used to measure grant program outcomes.

(b) Use of Grant Funds. – Local agencies may use funds received under this section for the purpose of providing services, such as training, education, placement, and supportive services. Local agencies may use grant funds to provide services only to individuals who are (i) 18 years of age or older and meet the federal Workforce ~~Investment Act~~, Innovation and Opportunity Act, title I adult eligibility definitions, or meet the federal Workforce ~~Investment~~ Innovation and Opportunity Act, title I dislocated worker eligibility definitions, or (ii) incumbent workers with annual family incomes at or below two hundred percent (200%) of poverty guidelines established by the federal Department of Health and Human Services.

(c) Allocation of Grants. – The Department of Commerce may reserve and allocate up to ten percent (10%) of the funds available to the Employment and Training Grant Program for State and local administrative costs to implement the Program. The Division of ~~Employment and Training~~ Workforce Solutions shall allocate employment and training grant funds to local Workforce Development Boards serving federal Workforce ~~Investment~~ Innovation and

1 Opportunity Act local workforce ~~investment–development~~ areas based on the following
2 formula:

- 3 (1) One-half of the funds shall be allocated on the basis of the relative share of
4 the local workforce ~~investment–development~~ area's share of federal
5 Workforce ~~Investment–Innovation and Opportunity~~ Act, title I adult funds as
6 compared to the total of all local areas adult shares under the federal
7 Workforce ~~Investment–Innovation and Opportunity~~ Act, title I.
8 (2) One-half of the funds shall be allocated on the basis of the relative share of
9 the local workforce ~~investment–development~~ area's share of federal
10 Workforce ~~Investment–Innovation and Opportunity~~ Act, title I dislocated
11 worker funds as compared to the total of all local areas dislocated worker
12 shares under the federal Workforce ~~Investment–Innovation and Opportunity~~
13 Act, title I.
14 (3) Local workforce ~~investment–development~~ area adult and dislocated shares
15 shall be calculated using the current year's allocations to local areas under
16 the federal Workforce ~~Investment–Innovation and Opportunity~~ Act, title I.
17 (d) Repealed by Session Laws 2009-451, s. 14.5(d), effective July 1, 2009.
18 (e) Nonreverting Funds. – Funds appropriated to the Department of Commerce for the
19 Employment and Training Grant Program that are not expended at the end of the fiscal year
20 shall not revert to the General Fund, but shall remain available to the Department for the
21 purposes established in this section."

22 **SECTION #.(i)** G.S. 143B-438.14 reads as rewritten:
23 **"§ 143B-438.14. "No Adult Left Behind" Initiative.**

24 (a) The ~~Commission on Workforce Development~~, NCWorks Commission, acting as the
25 lead agency, with the cooperation of other participating agencies, including the Department of
26 Labor, the Department of Commerce, the Employment Security Commission, the North
27 Carolina Community College System, The University of North Carolina, and the North
28 Carolina Independent Colleges and Universities shall initiate the "No Adult Left Behind"
29 Initiative (Initiative) geared toward achievement of major statewide workforce development
30 goals. The Initiative may also include community-based nonprofit organizations that provide
31 services or assistance in the areas of worker training, workforce development, and transitioning
32 North Carolinians between industries in the current global labor market.

33 (b) The first goal of the Initiative is to increase dramatically to forty percent (40%) the
34 percentage of North Carolinians who earn associate degrees, other two-year educational
35 credentials, and baccalaureate degrees. Specific fields of study may be selected for the most
36 intense efforts. The ~~Commission on Workforce Development~~ NCWorks Commission shall, as
37 the lead agency along with the North Carolina Community College System and The University
38 of North Carolina as key cooperating institutions, do all of the following:

39 ...
40 (c) The ~~Commission on Workforce Development~~ NCWorks Commission and the other
41 lead participating institutions may enter into contracts with other qualified organizations,
42 especially community-based nonprofits, to carry out components of the Initiative set forth in
43 subsection (b) of this section.

44 (d) The ~~Commission on Workforce Development~~ NCWorks Commission shall submit
45 to the Governor and to the General Assembly by May 1, 2012, and annually thereafter, details
46 of its implementation of this section that shall include at least the following:

47
48 **SECTION #.(j)** The Revisor of Statutes may conform names and titles changed by
49 this section, and may correct statutory references as required by this section, throughout the

- 1 General Statutes. In making the changes authorized by this section, the Revisor may also adjust
- 2 subject and verb agreement and the placement of conjunctions.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H18-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

- 1 *REPEAL STATUTES AUTHORIZING TRADE JOBS FOR SUCCESS/INITIATIVE*
- 2 *ENDED JUNE 30, 2013*
- 3 **SECTION #.** Part 3C of Article 10 of Chapter 143B of the General Statutes is
- 4 repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

**DRAFT
SPECIAL PROVISION**



2015-COMM-H20-P

**Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources**

Requested by: Representative

- 1 ***REPEAL APPRENTICESHIP FEE***
- 2 **SECTION #.** G.S. 94-12 is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H13-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 ***INDUSTRIAL COMMISSION/USE OF IT FUNDS***

2 **SECTION #.** In each year of the 2015-2017 fiscal biennium, the Industrial
3 Commission, in consultation with the State Chief Information Officer, may use available funds
4 in Budget Code 24611 (Fund 2200) to maintain its Consolidated Case Management System,
5 including, but not limited to, covering the costs of related service contracts and information
6 technology personnel.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H31-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

**UTILITIES COMMISSION/PUBLIC STAFF REALIGN CERTIFIED BUDGET WITH
ANTICIPATED AGENCY REQUIREMENTS**

SECTION #.(a) No later than November 1, 2015, the Utilities Commission and Public Staff, in conjunction with the Department of Commerce and the Office of State Budget and Management, shall realign the certified budget for the following funds for each year of the 2015-2017 fiscal biennium to reflect the anticipated spending requirements for the Utilities Commission and Public Staff for each year of the 2015-2017 biennium:

Budget Code	Fund	Description
54600	5211	Utilities – Commission Staff
54600	5217	Utilities – Gas Pipelines
54600	5218	PUC Capacity Grant – ARRA
54600	5221	Utilities – Public Staff
64605	6431	Utility and Public Staff.

SECTION #.(b) In realigning the certified budget for the funds described in subsection (a) of this section, the Utilities Commission and Public Staff shall prioritize eliminating unnecessary vacant positions and making line-item modifications that reflect anticipated agency requirements. The Utilities Commission and Public Staff shall not expend any funds unless they are appropriated in this act for fiscal year 2015-2016 and fiscal year 2016-2017.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H21A-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

SET REGULATORY FEE FOR UTILITIES COMMISSION

SECTION #.(a) G.S. 62-302(a) reads as rewritten:

"(a) Fee Imposed. – It is the policy of the State of North Carolina to provide fair regulation of public utilities in the interest of the public, as provided in G.S. 62-2. The cost of regulating public utilities is a burden incident to the privilege of operating as a public utility. Therefore, for the purpose of defraying the cost of regulating public utilities, every public utility subject to the jurisdiction of the Commission shall pay a quarterly regulatory fee, in addition to all other fees and taxes, as provided in this section. The fees collected shall be used only to pay the expenses of the Commission and the Public Staff in regulating public utilities in the interest of the ~~public~~-public and to maintain a reasonable margin for a reserve fund. The amount of the reserve may not exceed one-half of the cost of operating the Commission and the Public Staff as reflected in the certified budget for the previous fiscal year.

It is also the policy of the State to provide limited oversight of certain electric membership corporations as provided in G.S. 62-53. Therefore, for the purpose of defraying the cost of providing the oversight authorized by G.S. 62-53 and G.S. 117-18.1, each fiscal year each electric membership corporation whose principal purpose is to furnish or cause to be furnished bulk electric supplies at wholesale as provided in G.S. 117-16 shall pay an annual fee as provided in this section."

SECTION #.(b) Subdivisions 14.19(e1)(4), (5), (6), and (10) of S.L. 2009-451 are repealed.

SECTION #.(c) G.S. 62-302, as amended by subsection (a) of this section, reads as rewritten:

"(a) Fee Imposed. – It is the policy of the State of North Carolina to provide fair regulation of public utilities in the interest of the public, as provided in G.S. 62-2. The cost of regulating public utilities is a burden incident to the privilege of operating as a public utility. Therefore, for the purpose of defraying the cost of regulating public utilities, every public utility subject to the jurisdiction of the Commission shall pay a quarterly regulatory fee, in addition to all other fees and taxes, as provided in this section. The fees collected shall be used only to pay the expenses of the Commission and the Public Staff in regulating public utilities in the interest of the public and to maintain a reasonable margin for a reserve fund. The amount of the reserve may not exceed one-half of the cost of operating the Commission and the Public Staff as reflected in the certified budget for the previous fiscal year.

It is also the policy of the State to provide limited oversight of certain electric membership corporations as provided in G.S. 62-53. Therefore, for the purpose of defraying the cost of providing the oversight authorized by G.S. 62-53 and G.S. 117-18.1, each fiscal year each electric membership corporation whose principal purpose is to furnish or cause to be furnished bulk electric supplies at wholesale as provided in G.S. 117-16 shall pay an annual fee as provided in this section.

(b) Public Utility Rate. –

- (1) Repealed by Session Laws 2000-140, s. 56, effective July 21, 2000.
- (2) Unless adjusted under subdivision (3) of this subsection, the public utility fee is a percentage of a utility's jurisdictional revenues as follows:
- | | |
|---|---------------|
| <u>Noncompetitive jurisdiction revenues</u> | <u>0.148%</u> |
| <u>Subsection (h) competitive jurisdictional revenues</u> | <u>0.06%</u> |
| <u>Subsection (m) competitive jurisdictional revenues</u> | <u>0.05%</u> |
- ~~For noncompetitive jurisdictional revenues as defined in sub-subdivision (4)a. of this subsection, the public utility regulatory fee for each fiscal year is the greater of (i) a percentage rate, established by the General Assembly, of each public utility's noncompetitive jurisdictional revenues for each quarter or (ii) six dollars and twenty five cents (\$6.25) each quarter. For subsection (h) competitive jurisdictional revenues as defined in sub-subdivision (4)b. of this subsection, and subsection (m) competitive jurisdictional revenues as defined in sub-subdivision (4)c. of this subsection, the public utility regulatory fee for each fiscal year is a percentage rate established by the General Assembly of each public utility's competitive jurisdictional revenues for each quarter.~~
- ~~When the Commission prepares its budget request for the upcoming fiscal year, the Commission shall propose a percentage rate of the public utility regulatory fee. For fiscal years beginning in an odd-numbered year, that proposed rate shall be included in the budget message the Governor submits to the General Assembly pursuant to G.S. 143C-3-5. For fiscal years beginning in an even-numbered year, that proposed rate shall be included in a special budget message the Governor shall submit to the General Assembly. The General Assembly shall set the percentage rate of the public utility regulatory fee by law.~~
- ~~The percentage rate may not exceed the amount necessary to generate funds sufficient to defray the estimated cost of the operations of the Commission and the Public Staff for the upcoming fiscal year, including a reasonable margin for a reserve fund. The amount of the reserve may not exceed the estimated cost of operating the Commission and the Public Staff for the upcoming fiscal year. In calculating the amount of the reserve, the General Assembly shall consider all relevant factors that may affect the cost of operating the Commission or the Public Staff or a possible unanticipated increase or decrease in North Carolina jurisdictional revenues.~~
- (3) In the first half of each calendar year, the Commission shall review the estimated cost of operating the Commission and the Public Staff for the next fiscal year, including a reasonable margin for the reserve fund allowed under this section. In making this determination, the Commission shall consider all relevant factors that may affect the cost of operating the Commission or the Public Staff or a possible unanticipated change in competitive and noncompetitive jurisdictional revenues. If the estimated receipts provided for under this section are less than the estimated cost of operating the Commission and the Public Staff for the next fiscal year, including the reasonable margin for the reserve fund, then If the Commission, the Public Staff, or both experience a revenue shortfall, the Commission shall may implement a temporary increase the public utility regulatory fee surcharge on noncompetitive jurisdictional revenues effective for the next fiscal year to avert the deficiency that would otherwise occur. In no event may the total

percentage rate of the public utility regulatory fee on noncompetitive jurisdiction revenues plus any surcharge established by the Commission exceed twenty five hundredths percent (0.25%).seventeen and one-half hundredths of one percent (0.175%). If the estimated receipts provided for under this section are more than the estimated cost of operating the Commission and the Public Staff for the next fiscal year, including the reasonable margin for the reserve fund, then the Commission shall decrease the public utility regulatory fee on noncompetitive jurisdictional revenues effective for the next fiscal year.

(4) As used in this section:

- a. "Noncompetitive jurisdictional revenues" means all revenues derived or realized from intrastate tariffs, rates, and charges approved or allowed by the Commission or collected pursuant to Commission order or rule, but not including tap-on fees or any other form of contributions in aid of construction.
- b. "Subsection (h) competitive jurisdictional revenues" means all revenues derived from retail services provided by local exchange companies and competing local providers that have elected to operate under G.S. 62-133.5(h).
- c. "Subsection (m) competitive jurisdictional revenues" means all revenues derived from retail services provided by local exchange companies and competing local providers that have elected to operate under G.S. 62-133.5(m).

(b1) Electric Membership Corporation Rate. – The electric membership corporation regulatory fee for each fiscal year ~~shall be a dollar amount as established by the General Assembly by law~~ is two hundred thousand dollars (\$200,000).

~~When the Commission prepares its budget request for the upcoming fiscal year, the Commission shall propose the amount of the electric membership corporation regulatory fee. For fiscal years beginning in an odd numbered year, the proposed amount shall be included in the budget message the Governor submits to the General Assembly pursuant to G.S. 143C-3-5. For fiscal years beginning in an even numbered year, the proposed amount shall be included in a special budget message the Governor shall submit to the General Assembly.~~

~~The amount of the electric membership corporation regulatory fee proposed by the Commission may not exceed the amount necessary to defray the estimated cost of the operations of the Commission and the Public Staff for the regulation of the electric membership corporations in the upcoming fiscal year, including a reasonable margin for a reserve fund. The amount of the reserve may not exceed the estimated cost of the Commission and the Public Staff for the regulation of the electric membership corporations for the upcoming fiscal year.~~

...
(e) ~~Recovery of fee increase.~~ Fee Changes. – If a utility's regulatory fee obligation is ~~increased, changed,~~ the Commission shall either adjust the utility's rates to reflect the change ~~allow for the recovery of the increased fee obligation,~~ or approve the utility's request for an accounting order allowing deferral of the ~~increase~~ change in the fee obligation."

SECTION #.(d) G.S. 62-302(b)(2), as amended by subsection (c) of this section, reads as rewritten:

"(2) Unless adjusted under subdivision (3) of this subsection, the public utility fee is a percentage of a utility's jurisdictional revenues as follows:

Noncompetitive jurisdiction revenues	0.148%
Subsection (h) competitive jurisdictional revenues	0.06% <u>0.04%</u>
Subsection (m) competitive jurisdictional revenues	0.05% <u>0.02%</u> "

1 **SECTION #.(e)** Subsection (c) of this section is effective July 1, 2015, and applies
2 to jurisdictional revenues earned in each quarter that begins on or after July 1, 2015. Subsection
3 (d) of this section is effective July 1, 2016, and applies to jurisdictional revenues earned in each
4 quarter that begins on or after July 1, 2016. The remainder of this section is effective on the
5 date this act becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H22-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

NC BIOTECHNOLOGY CENTER

SECTION #.(a) Of the funds appropriated in this act to the North Carolina Biotechnology Center (hereinafter "Center"), the sum of thirteen million six hundred thousand three hundred thirty-eight dollars (\$13,600,338) for each fiscal year in the 2015-2017 biennium shall be allocated as follows:

- (1) Job Creation: Ag Biotech Initiative, Economic and Industrial Development, and related activities – \$2,924,073;
- (2) Science and Commercialization: Science and Technology Development, Centers of Innovation, Business and Technology Development, Education and Training, and related activities – \$8,813,019; and
- (3) Center Operations: Administration, Professional and Technical Assistance and Oversight, Corporate Communications, Human Resource Management, Financial and Grant Administration, Legal, and Accounting – \$1,863,246.

SECTION #.(b) The Center shall prioritize funding and distribution of loans over existing funding and distribution of grants.

SECTION #.(c) Except to provide administrative flexibility, up to ten percent (10%) of each of the allocations in subsection (a) of this section may be reallocated to one or more of the other allocations in subsection (a) of this section if, in the judgment of Center management, the reallocation will advance the mission of the Center.

SECTION #.(d) The Center shall comply with the following reporting requirements:

- (1) By September 1 of each year, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources.
- (2) Provide to the Fiscal Research Division a copy of the Center's annual audited financial statement within 30 days of issuance of the statement.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H23-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

GRASSROOTS SCIENCE PROGRAM

SECTION #.(a) Of the funds appropriated in this act to the Department of Commerce for State-Aid, the sum of two million four hundred forty-eight thousand four hundred twenty-nine dollars (\$2,448,429) is allocated as grants-in-aid for each fiscal year of the 2015-2017 biennium as follows:

	2015-2016	2016-2017
Aurora Fossil Museum	\$60,748	\$60,748
Cape Fear Museum	\$73,887	\$73,887
Carolina Raptor Center	\$73,855	\$73,855
Catawba Science Center	\$87,610	\$87,610
Colburn Earth Science Museum, Inc.	\$62,084	\$62,084
Core Sound Waterfowl Museum	\$67,132	\$67,132
Discovery Place	\$293,907	\$293,907
Eastern NC Regional Science Center	\$59,388	\$59,388
Fascinate-U	\$64,934	\$64,934
Granville County Museum Commission, Inc.–Harris Gallery	\$60,424	\$60,424
Greensboro Children's Museum	\$78,491	\$78,491
Greensboro Science Center	\$122,903	\$122,903
Hands On! – A Child's Gallery	\$61,411	\$61,411
Highlands Nature Center	\$62,067	\$62,067
Imagination Station	\$64,339	\$64,339
The Iredell Museums, Inc.	\$60,300	\$60,300
Kidsenses	\$62,667	\$62,667
Marbles Kids Museum	\$138,355	\$138,355
Museum of Coastal Carolina	\$65,135	\$65,135
North Carolina Estuarium	\$61,674	\$61,674
North Carolina Museum of Life and Science	\$179,599	\$179,599
Pisgah Astronomical Research Institute	\$79,487	\$79,487
Port Discover: Northeastern North Carolina's Center for Hands-On Science, Inc.	\$60,388	\$60,388
Rocky Mount Children's Museum	\$64,004	\$64,004
Schiele Museum of Natural History and Planetarium, Inc.	\$93,802	\$93,802
Sci Works Science Center and Environmental Park of Forsyth County	\$83,181	\$83,181
Sylvan Heights Waterfowl Park		

1	and Eco-Center	\$68,668	\$68,668
2	Western North Carolina Nature Center	\$70,091	\$70,091
3	Wilmington Children's Museum	\$67,898	\$67,898
4	Total	\$2,448,429	\$2,448,429

5 **SECTION #.(b)** No later than March 1, 2016, the Department of Commerce shall
6 report to the Fiscal Research Division all of the following information for each museum that
7 receives funds under this section:

- 8 (1) For museums that operate on a fiscal year, the actual operating budget for
9 the 2014-2015 fiscal year. For museums that operate on a calendar year, the
10 actual operating budget for the 2014 calendar year.
- 11 (2) The proposed operating budget for the 2015-2016 fiscal year.
- 12 (3) The total attendance at the museum during the 2015 calendar year.

13 **SECTION #.(c)** No later than March 1, 2017, the Department of Commerce shall
14 report to the Fiscal Research Division all of the following information for each museum that
15 receives funds under this section:

- 16 (1) For museums that operate on a fiscal year, the actual operating budget for
17 the 2015-2016 fiscal year. For museums that operate on a calendar year, the
18 actual operating budget for the 2015 calendar year.
- 19 (2) The proposed operating budget for the 2016-2017 fiscal year.
- 20 (3) The total attendance at the museum during the 2016 calendar year.

21 **SECTION #.(d)** As a condition for qualifying to receive funding under this
22 section, all of the following documentation shall, no later than November 1 of each year of the
23 2015-2017 fiscal biennium, be submitted for each museum under this section to the Department
24 of Commerce for the fiscal year that most recently ended and only those costs that are properly
25 documented under this subsection are allowed by the Department in calculating the distribution
26 of funds under this section:

- 27 (1) Each museum under this section shall submit its IRS (Internal Revenue
28 Service) Form 990 to show its annual operating expenses, its annual report,
29 and a reconciliation that explains any differences between expenses as
30 shown on the IRS Form 990 and the annual report.
- 31 (2) Each friends association of a museum under this section shall submit its IRS
32 Form 990 to show its reported expenses for the museum, its annual report,
33 and a reconciliation that explains any differences between expenses as
34 shown on the IRS Form 990 and the annual report, unless the association
35 does not have both an IRS Form 990 and an annual report available; in
36 which case, it shall submit either an IRS Form 990 or an annual report.
- 37 (3) The chief financial officer of each county or municipal government that
38 provides funds for the benefit of the museum shall submit a detailed signed
39 statement of documented costs spent for the benefit of the museum that
40 includes documentation of the name, address, title, and telephone number of
41 the person making the assertion that the museum receives funds from the
42 county or municipality for the benefit of the museum.
- 43 (4) The chief financial officer of each county or municipal government or each
44 friends association that provides indirect or allocable costs that are not
45 directly charged to a museum under this section but that benefit the museum
46 shall submit in the form of a detailed statement enumerating each cost by
47 type and amount that is verified by the financial officer responsible for the
48 completion of the documentation and that includes the name, address, title,
49 and telephone number of the person making the assertion that the county,

1 municipality, or association provides indirect or allocable costs to the
2 museum.

3 **SECTION #.(e)** As used in subsection (d) of this section, "friends association"
4 means a nonprofit corporation established for the purpose of supporting and assisting a
5 museum that receives funding under this section.

6 **SECTION #.(f)** Each museum listed in subsection (a) of this section shall do the
7 following:

8 (1) By September 1 of each year, and more frequently as requested, report to the
9 Joint Legislative Commission on Governmental Operations and the Fiscal
10 Research Division on prior State fiscal year program activities, objectives,
11 and accomplishments and prior State fiscal year itemized expenditures and
12 fund sources.

13 (2) Provide to the Fiscal Research Division a copy of the organization's annual
14 audited financial statement within 30 days of issuance of the statement.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H24-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

1 **COMMERCE NONPROFITS/REPORTING REQUIREMENTS**

2 **SECTION #.** Cleveland County ALWS Baseball, Inc., High Point Furniture
3 Market Authority, North Carolina Arboretum, RTI International, and The Support Center shall
4 do the following:

- 5 (1) By September 1 of each year, and more frequently as requested, report to the
6 Joint Legislative Commission on Governmental Operations and the Fiscal
7 Research Division on prior State fiscal year program activities, objectives,
8 and accomplishments and prior State fiscal year itemized expenditures and
9 fund sources.
- 10 (2) Provide to the Fiscal Research Division a copy of the entity's annual audited
11 financial statement within 30 days of issuance of the statement.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H32-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

NC ARBORETUM/FUNDS

SECTION #.(a) Of the funds appropriated in this act to the Department of Commerce for State-Aid, the sum of eight hundred fifty-eight thousand three hundred eighty dollars (\$858,380) in nonrecurring funds for each year of the 2015-2017 biennium shall be allocated to the North Carolina Arboretum (Arboretum) as follows:

- | | | |
|-----|----------------------|-----------|
| (1) | Bent Creek Institute | \$500,000 |
| (2) | Germplasm Repository | 358,380. |

SECTION #.(b) The Arboretum shall, by March 1, 2016, and March 1, 2017, report to the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources and the Senate Appropriations Committee on Natural and Economic Resources and the Fiscal Research Division on the Arboretum's efforts to attract, grow, and support the natural and nutraceutical product industry.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION



2015-COMM-H30-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by: Representative

FUNDS FOR THE BREVARD STATION MUSEUM

SECTION #.(a) Of the funds appropriated in this act to the Department of Commerce for State Aid, the sum of fifty thousand dollars (\$50,000) in nonrecurring funds for the 2015-2016 fiscal year shall be allocated to the Town of Stanley to distribute to the Brevard Station Museum. These funds shall be used by the Museum to support its efforts to preserve the history of Stanley, North Carolina.

SECTION #.(b) The Town of Stanley shall do the following:

- (1) By September 1 of each year, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the Museum's prior State fiscal year activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources.
- (2) Provide to the Fiscal Research Division a copy of the Museum's annual audited financial statement within 30 days of issuance of the statement.