
HOUSE AND SENATE NER/ANER BUDGET ITEMS IN CONTROVERSY

1
2 **House Only**

3 **COMMISSIONER OF AGRICULTURE/VEHICLE BENEFITS**

4 **SECTION 13.1.** G.S. 143-341(8)(i)7a. reads as rewritten:

5 "7a. To adopt with the approval of the Governor and to enforce rules
6 and to coordinate State policy regarding (i) the permanent
7 assignment of state-owned passenger motor vehicles and (ii) the
8 use of and reimbursement for those vehicles for the limited
9 commuting permitted by this subdivision. For the purpose of this
10 subdivision 7a, "state-owned passenger motor vehicle" includes
11 any state-owned passenger motor vehicle, whether or not owned,
12 maintained or controlled by the Department of Administration,
13 and regardless of the source of the funds used to purchase it.
14 Notwithstanding the provisions of G.S. 20-190 or any other
15 provisions of law, all state-owned passenger motor vehicles are
16 subject to the provisions of this subdivision 7a; no permanent
17 assignment shall be made and no one shall be exempt from
18 payment of reimbursement for commuting or from the other
19 provisions of this subdivision 7a except as provided by this
20 subdivision 7a. Commuting, as defined and regulated by this
21 subdivision, is limited to those specific cases in which the
22 Secretary has received and accepted written justification, verified
23 by historical data. The Department shall not assign any
24 state-owned motor vehicle that may be used for commuting other
25 than those authorized by the procedure prescribed in this
26 subdivision.

27 A State-owned passenger motor vehicle shall not be
28 permanently assigned to an individual who is likely to drive it on
29 official business at a rate of less than 3,150 miles per quarter
30 unless (i) the individual's duties are routinely related to public
31 safety or (ii) the individual's duties are likely to expose the
32 individual routinely to life-threatening situations. A State-owned
33 passenger motor vehicle shall also not be permanently assigned to
34 an agency that is likely to drive it on official business at a rate of
35 less than 3,150 miles per quarter unless the agency can justify to
36 the Division of Motor Fleet Management the need for permanent
37 assignment because of the unique use of the vehicle. Each agency,
38 other than the Department of Transportation, that has a vehicle
39 assigned to it or has an employee to whom a vehicle is assigned
40 shall submit a quarterly report to the Division of Motor Fleet
41 Management on the miles driven during the quarter by the
42 assigned vehicle. The Division of Motor Fleet Management shall
43 review the report to verify that each motor vehicle has been driven
44 at the minimum allowable rate. If it has not and if the department
45 by whom the individual to which the car is assigned is employed
46 or the agency to which the car is assigned cannot justify the lower
47 mileage for the quarter, the permanent assignment shall be
48 revoked immediately. The Department of Transportation shall
49 submit an annual report to the Division of Motor Fleet
50 Management on the miles driven during the year by vehicles

1 assigned to the Department or to employees of the Department. If
2 a vehicle included in this report has not been driven at least
3 12,600 miles during the year, the Department of Transportation
4 shall review the reasons for the lower mileage and decide whether
5 to terminate the assignment. The Division of Motor Fleet
6 Management may not revoke the assignment of a vehicle to the
7 Department of Transportation or an employee of that Department
8 for failure to meet the minimum mileage requirement unless the
9 Department of Transportation consents to the revocation.

10 Every individual who uses a State-owned passenger motor
11 vehicle, pickup truck, or van to drive between the individual's
12 official work station and his or her home, shall reimburse the State
13 for these trips at a rate computed by the Department. This rate
14 shall approximate the benefit derived from the use of the vehicle
15 as prescribed by federal law. Reimbursement shall be for 20 days
16 per month regardless of how many days the individual uses the
17 vehicle to commute during the month. Reimbursement shall be
18 made by payroll deduction. Funds derived from reimbursement on
19 vehicles owned by the Motor Fleet Management Division shall be
20 deposited to the credit of the Division; funds derived from
21 reimbursements on vehicles initially purchased with
22 appropriations from the Highway Fund and not owned by the
23 Division shall be deposited in a Special Depository Account in the
24 Department of Transportation, which shall revert to the Highway
25 Fund; funds derived from reimbursement on all other vehicles
26 shall be deposited in a Special Depository Account in the
27 Department of Administration which shall revert to the General
28 Fund. Commuting, for purposes of this paragraph, does not
29 include those individuals whose office is in their home, as
30 determined by the Department of Administration, Division of
31 Motor Fleet Management. Also, this paragraph does not apply to
32 the following vehicles: (i) clearly marked police and fire vehicles,
33 (ii) delivery trucks with seating only for the driver, (iii) flatbed
34 trucks, (iv) cargo carriers with over a 14,000 pound capacity, (v)
35 school and passenger buses with over 20 person capacities, (vi)
36 ambulances, (vii) [Repealed]. (viii) bucket trucks, (ix) cranes and
37 derricks, (x) forklifts, (xi) cement mixers, (xii) dump trucks, (xiii)
38 garbage trucks, (xiv) specialized utility repair trucks (except vans
39 and pickup trucks), (xv) tractors, (xvi) unmarked law-enforcement
40 vehicles that are used in undercover work and are operated by
41 full-time, fully sworn law-enforcement officers whose primary
42 duties include carrying a firearm, executing search warrants, and
43 making arrests, ~~and (xvii)-(xvii)~~ any other vehicle exempted under
44 Section 274(d) of the Internal Revenue Code of 1954, and Federal
45 Internal Revenue Services regulations based ~~thereon-thereon, or~~
46 (xviii) the vehicle assigned to the Commissioner of Agriculture,
47 with respect to trips between the Commissioner's home and
48 locations other than the Commissioner's office. The Department
49 of Administration, Division of Motor Fleet Management, shall
50 report quarterly to the Joint Legislative Commission on
51 Governmental Operations and to the Fiscal Research Division of

1 the Legislative Services Office on individuals who use
2 State-owned passenger motor vehicles, pickup trucks, or vans
3 between their official work stations and their homes, who are not
4 required to reimburse the State for these trips.

5 The Department of Administration shall revoke the
6 assignment or require the Department owning the vehicle to
7 revoke the assignment of a State-owned passenger motor vehicle,
8 pickup truck or van to any individual who:

- 9 I. Uses the vehicle for other than official business except in
10 accordance with the commuting rules;
11 II. Fails to supply required reports to the Department of
12 Administration, or supplies incomplete reports, or supplies
13 reports in a form unacceptable to the Department of
14 Administration and does not cure the deficiency within 30
15 days of receiving a request to do so;
16 III. Knowingly and willfully supplies false information to the
17 Department of Administration on applications for
18 permanent assignments, commuting reimbursement forms,
19 or other required reports or forms;
20 IV. Does not personally sign all reports on forms submitted for
21 vehicles permanently assigned to him or her and does not
22 cure the deficiency within 30 days of receiving a request to
23 do so;
24 V. Abuses the vehicle; or
25 VI. Violates other rules or policy promulgated by the
26 Department of Administration not in conflict with this act.

27 A new requisition shall not be honored until the Secretary of
28 the Department of Administration is assured that the violation for
29 which a vehicle was previously revoked will not recur.

30 The Department of Administration, with the approval of the
31 Governor, may delegate, or conditionally delegate, to the
32 respective heads of agencies which own passenger motor vehicles
33 or to which passenger motor vehicles are permanently assigned by
34 the Department, the duty of enforcing all or part of the rules
35 adopted by the Department of Administration pursuant to this
36 subdivision 7a. The Department of Administration, with the
37 approval of the Governor, may revoke this delegation of authority.

38 Notwithstanding the provisions of this section and
39 G.S. 14-247, the Department of Administration may allow the
40 organization sanctioned by the Governor's Council on Physical
41 Fitness to conduct the North Carolina State Games to use State
42 trucks and vans for the State Games of North Carolina. The
43 Department of Administration shall not charge any fees for the
44 use of the vehicles for the State Games. The State shall incur no
45 liability for any damages resulting from the use of vehicles under
46 this provision. The organization that conducts the State Games
47 shall carry liability insurance of not less than one million dollars
48 (\$1,000,000) covering such vehicles while in its use and shall be
49 responsible for the full cost of repairs to these vehicles if they are
50 damaged while used for the State Games."
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House and Senate Differ

House Version

TVA SETTLEMENT FUNDS

SECTION 13.2. 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.

1 **Senate Version**

2 **TVA SETTLEMENT FUNDS**

3 **SECTION 13.2.** In fiscal year 2015-2016, The Department of Agriculture and
4 Consumer Services shall apply for two million two hundred forty thousand dollars (\$2,240,000)
5 from the Tennessee Valley Authority Settlement Agreement in compliance with the requirements of
6 paragraphs 122 through 128 of the Consent Decree entered into by the State in *State of Alabama et*
7 *al. v. Tennessee Valley Authority*, Civil Action 3:11-cv-00170 in the United States District Court for
8 the Eastern District of Tennessee, and Appendix C to the Compliance Agreement. The funds
9 received by the State shall be allocated to the following programs for projects, with priority given to
10 projects in the counties of Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood,
11 Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Swain, Transylvania, Watauga, and
12 Yancey:

- 13 (1) One million dollars (\$1,000,000) to the Agriculture Cost Share Program for
14 Nonpoint Source Pollution Control.
- 15 (2) Five hundred thousand dollars (\$500,000) to the Department's Bioenergy
16 Development Program.
- 17 (3) Five hundred thousand dollars (\$500,000) to the North Carolina Agricultural
18 Development and Farmland Preservation Trust Fund to be used, notwithstanding
19 G.S. 106-744, in the areas specified in this section.
- 20 (4) Two hundred forty thousand dollars (\$240,000) to the North Carolina
21 Agricultural Water Resources Assistance Program.
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2 **House and Senate Differ**
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4 **House Version**
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6 **DISPOSITION OF ROSE HILL LABORATORY PROPERTY**

7 **SECTION 13.3.** Notwithstanding Article 7 of Chapter 146 of the General Statutes, the
8 Department of Administration shall sell the building and associated real property formerly used to
9 house the Veterinary Diagnostic Laboratory located in the Town of Rose Hill in Duplin County.
10 The Department of Administration shall credit the receipts to the Department of Agriculture and
11 Consumer Services' General Fund to improve the efficiency and responsiveness of the Department's
12 diagnostic laboratory system, and the net proceeds, once realized, are appropriated for that purpose.
13 The Department of Administration may retain a service charge not greater than ten percent (10%) of
14 the gross proceeds from the sale, to be used as set forth in G.S. 146-30(b)(3).
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1 **Senate Version**

2 **DISPOSITION OF ROSE HILL LABORATORY PROPERTY**

3 **SECTION 13.3.** The Department of Administration shall sell the building and
4 associated real property formerly used to house the Veterinary Diagnostic Laboratory located in the
5 Town of Rose Hill in Duplin County.
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7 **Note: under G.S. 146-30(c), DACS gets proceeds of any sale of land (including**
8 **buildings) it owns for capital improvements.**
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2 **House Only**

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

5 **SECTION 13.6.(a)** The Office of State Budget and Management, in conjunction with
6 the Office of the State Controller and the Department of Agriculture and Consumer Services, shall
7 transfer to the General Fund the sum of two hundred seventy-five thousand three hundred
8 ninety-nine dollars (\$275,399) from the Swine Waste Fund (Budget Code 23704-2730).

9 **SECTION 13.6.(b)** The transfer in subsection (a) of this section is to offset reductions
10 in General Fund appropriations to the Department of Agriculture and Consumer Services for the
11 2015-2016 fiscal year.

12 **SECTION 13.6.(c)** The Office of State Budget and Management, in conjunction with
13 the Office of the State Controller and the Department of Agriculture and Consumer Services, shall
14 transfer to the General Fund the sum of one million eighty-one thousand one hundred sixty dollars
15 (\$1,081,160) from the Conservation Reserve Enhancement Program fund (Budget Code
16 23704-2711).

17 **SECTION 13.6.(d)** The transfer in subsection (c) of this section is to offset reductions
18 in General Fund appropriations to the Department of Agriculture and Consumer Services for the
19 2016-2017 fiscal year.
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2 **Senate Only**

3 **SPAY/NEUTER PROGRAM REVISIONS**

4 **SECTION 13.7.** G.S. 19A-63 reads as rewritten:

5 **"§ 19A-63. Eligibility for distributions from Spay/Neuter Account.**

6 (a) A county or city is eligible for reimbursement from the Spay/Neuter Account if it meets
7 the following condition:

8 (1) The county or city offers one or more of the following programs to low-income
9 persons on a year-round basis for the purpose of reducing the cost of spaying and
10 neutering procedures for dogs and cats:

11 a. A spay/neuter clinic operated by the county or city.

12 ~~b. A spay/neuter clinic operated by a private organization under contract or~~
13 ~~other arrangement with the county or city.~~

14 c. A contract or contracts with one or more veterinarians, whether or not
15 located within the county, to provide reduced-cost spaying and neutering
16 procedures.

17 d. Subvention of the spaying and neutering costs incurred by low-income
18 pet owners through the use of vouchers or other procedure that provides a
19 discount of the cost of the spaying or neutering procedure fixed by a
20 participating veterinarian or other provider.

21 e. Subvention of the spaying and neutering costs incurred by persons who
22 adopt a pet from an animal shelter operated by or under contract with the
23 county or city.

24 (2) Reserved for future codification purposes.

25 (b) For purposes of this Article, the term "low-income person" shall mean an individual ~~who~~
26 ~~qualifies for one or more of the programs of public assistance administered by the Department of~~
27 ~~Health and Human Services pursuant to Chapter 108A of the General Statutes or whose annual~~
28 ~~household income is under three hundred percent (300%) lower than one hundred percent (100%)~~
29 ~~of the federal poverty level guidelines published by the United States Department of Health and~~
30 ~~Human Services.~~

31 (c) Each county shall make rules or publish guidelines that designate what proof a
32 low-income person must submit to establish that the person ~~qualifies for public assistance under~~
33 ~~subsection (b) of this section or~~ has an annual household income lower than ~~three hundred percent~~
34 ~~(300%) one hundred percent (100%)~~ of the federal poverty level guidelines published by the United
35 States Department of Health and Human Services."
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2 **Senate Only**

3 **CONSERVATION RESERVE ENHANCEMENT PROGRAM REPORT**

4 **SECTION 13.8.(a)** The Department of Agriculture and Consumer Services shall study
5 and report on the activities of the Conservation Reserve Enhancement Program. The report shall
6 include, at a minimum, the following components:

- 7 (1) A listing of contracts currently in effect and contracts entered into in each of the
8 last five fiscal years, including the acreage and location of the land under
9 contract and the distribution of contracts by duration.
10 (2) A five-year projection of future funding requirements.
11 (3) A detailed listing of the conservation practices used at project sites over the last
12 five fiscal years and an assessment of the effectiveness of those practices for
13 preventing or reducing nonpoint source pollution.
14 (4) An assessment of the effectiveness and impact of the program in both protection
15 of waterways from nonpoint source pollution and the leveraging of additional
16 programs and efforts to reduce nonpoint source pollution.

17 **SECTION 13.8.(b)** The Department shall submit its findings and report to the chairs of
18 the Senate Appropriations Committee on Natural and Economic Resources and the House
19 Appropriations Committee on Agriculture and Natural and Economic Resources and to the Fiscal
20 Research Division no later than April 1, 2016.
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Senate Only

BEER MARKETING

SECTION 13.9. The additional funds allocated by this act to the Marketing Division of the Department of Agriculture and Consumer Services shall be used for the promotion of beer produced in the State.

1
2 **Senate Only**

3 **REPEAL MINE SAFETY AND HEALTH ACT**

4 **SECTION 13.10.(a)** Article 2A of Chapter 74 of the General Statutes is repealed.

5 **SECTION 13.10.(b)** G.S. 130A-460 reads as rewritten:

6 "**§ 130A-460. Report to Department of Labor.**

7 ...

8 (c) Subsection (b) shall not apply to inspections conducted for the Industrial Commission
9 pursuant to ~~G.S. 97-76~~ and shall not affect the allocation of responsibilities set forth in
10 ~~G.S. 74-24.4(e); G.S. 97-76.~~"
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2 **Senate Only**

3 **LABOR CONSULTATIVE SERVICES BUREAU INSPECT MINES & QUARRIES**

4 **SECTION 13.11.(a)** The Department of Labor, Consultative Services Bureau, shall
5 inspect mines and quarries in the State in a manner consistent with inspections conducted by the
6 Mine and Quarry Bureau prior to the date this section becomes effective.

7 **SECTION 13.11.(b)** This section is effective when it becomes law.
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House and Senate Differ

House Version

PROSPERITY ZONE DENR LIASONS

SECTION 14.1. 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."

1 **Senate Version**

2 **PROSPERITY ZONE DENR LIAISONS**

3 **SECTION 14.1.** Section 4.1 of S.L. 2014-18 reads as rewritten:

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

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

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

House Version

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

SECTION 14.3. The Department of Environment and Natural Resources' Stewardship Program may retain revenue generated from timber harvesting on the Great Coharie property in the Conservation Grant Endowment Interest Fund (6705) for the purpose of restoration and stewardship of that property. Any unused portion of this revenue remaining in the Fund on June 30, 2019, shall revert to the General Fund.

Senate Version (Clarifying change only)

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

SECTION 14.3. The Department of Environment and Natural Resources' Stewardship Program may retain revenue generated from timber harvesting on the Great Coharie property in the Conservation Grant Endowment Interest Fund (6705) for the purpose of restoration and stewardship of that property **and these funds are hereby appropriated for that purpose.** Any unused portion of this revenue remaining in the Fund on June 30, 2019, shall revert to the General Fund.

House and Senate Differ

House Version

**SEPARATE NATURAL HERITAGE PROGRAM FROM CLEAN WATER
MANAGEMENT TRUST FUND**

SECTION 14.4. G.S. 113A-253(c)(8e) is repealed.

Senate Version

**SEPARATE NATURAL HERITAGE PROGRAM FROM CLEAN WATER
MANAGEMENT TRUST FUND**

SECTION 14.4. Subdivisions (8e) and (9) of subsection (c) and subsection (d) of
G.S. 113A-253 are repealed.

Note: subdivision (c)(9) and subsection (d) pertain to administrative expenses.

House and Senate Differ

House Version

WATER QUALITY REMEDIATION

SECTION 14.5. Of the funds appropriated in this Act to the Clean Water Management Trust Fund, the sum of five hundred thousand dollars (\$500,000) shall be used for the remediation and mitigation of stormwater impacts to lakes subject to a Nutrient Management Strategy approved by the Environmental Management Commission.

1 **Senate Version**

2 **ENVIRONMENTAL MANAGEMENT OF IMPAIRED WATER BODIES**

3 **SECTION 14.5.(a)** Of the funds appropriated in this act to the Clean Water
4 Management Trust Fund, the sum of four million five hundred thousand dollars (\$4,500,000) in the
5 2015-2017 fiscal biennium shall be used by the Department of Environment and Natural Resources
6 to research, implement, and monitor in situ strategies beyond traditional watershed controls that
7 have the potential to mitigate water quality impairments resulting from aquatic flora, sediment,
8 nutrients, or other water quality variables that impair or have the potential to impair water bodies of
9 the State.

10 **SECTION 14.5.(b)** The Department shall extend existing contracts related to in situ
11 water quality remediation strategies for two years at a price less than current terms and may enter
12 into new purchase or lease agreements for equipment, goods, or contractor services prior to June 30,
13 2017. The Department, in consultation with the Environmental Management Commission, shall
14 have the authority to determine the size, scope, and location of a new project or expansion of the
15 scope of an existing project as well as the methods to be deployed; provided, however, that the
16 Department shall issue a Request for Proposal for any new leases or purchases authorized by this
17 subsection and shall evaluate and select contractors or equipment based on likelihood of success in
18 addition to price.

19 **SECTION 14.5.(c)** The General Assembly finds that there is a need for timely initiation
20 of projects authorized by this section during the biennium to expedite mitigation of impaired waters
21 of the State and federal review and approval of these projects prior to deployment. Therefore, any
22 contract, lease, purchase, or other agreement entered into under this section shall not be subject to
23 the requirements of Article 3, 3D, or 8 of Chapter 143 of the General Statutes in order to expedite
24 deployment.

25 **SECTION 14.5.(d)** The General Assembly further finds that existing rules or proposed
26 rules intended to address water quality of impaired water bodies may need to be modified based on
27 the completion and analysis of projects authorized or extended by this section and that there is a
28 need to better understand the impact of in situ mitigation on overall water quality of impaired water
29 bodies. Therefore, any rules issued by the Commission or directed by the General Assembly that
30 pertain to basinwide nutrient management and mitigation of water quality for impaired water
31 bodies, as defined by the federal government, and that have been temporarily delayed by a prior act
32 of the General Assembly or Commission, shall have an effective date of two additional years or one
33 year after the completion of the projects described in this subsection, whichever is later.

34 **SECTION 14.5.(e)** The Department and Commission shall consider and include in situ
35 strategies, as described in subsection (a) of this section, in their development, review, and
36 modifications of basinwide water quality management plans or related water quality mitigation
37 modeling.
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House and Senate Differ

House Version

SHALLOW DRAFT NAVIGATION CHANNEL DREDGING FUNDING EARMARK/AQUATIC WEED CONTROL

SECTION 14.6.(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."

SECTION 14.6.(b) Of the funds appropriated in this Act for aquatic weed control, up to nine hundred thousand dollars (\$900,000) may be made available for aquatic weed control in the State's rivers in the 2015-2016 fiscal year.

1 **Senate Version**

2 **INLET AND PORT ACCESS MANAGEMENT**

3 **SECTION 14.6.(a)** G.S. 143-215.73F reads as rewritten:

4 **"§ 143-215.73F. Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund.**

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

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

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

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

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

23 **(d) Waiver of Cost Share.** – ~~The Secretary may waive or modify the non State cost share~~
24 ~~requirement for dredging projects that (i) alleviate a navigational emergency or (ii) represent an~~
25 ~~opportunity to supplement or leverage Corps funding that would be lost if a cost-share was required.~~
26 ~~The Secretary may only waive or modify the non-State cost-share requirement up to an amount not~~
27 ~~to exceed five hundred thousand dollars (\$500,000) per project.~~

28 **(e) Return of Non-State Entity Funds.** – ~~Non-State entities that contribute to the Fund for a~~
29 ~~particular project or group of projects may make a written request to the Secretary that the~~
30 ~~contribution be returned if the contribution has not been spent or encumbered within two years of~~
31 ~~receipt of the contribution by the Fund. If the written request is made prior to the funds being spent~~
32 ~~or encumbered, the Secretary shall return the funds to the entity within 30 days after the later of (i)~~
33 ~~receiving the request or (ii) the expiration of the two-year period described by this subsection.~~

34 **(f) Reporting.** – ~~The Secretary shall report any waivers or modifications of the cost share~~
35 ~~requirement made under subsection (d) of this section within 30 days of issuing the waiver or~~
36 ~~modification to the Joint Legislative Commission on Governmental Operations and the Fiscal~~
37 ~~Research Division of the General Assembly. The report shall include an explanation of the factors~~
38 ~~in subsection (d) of this section that are the basis for the waiver or modification decision.~~

39 **(g) Definitions.** – The following definitions apply in this section:

40 **(1) Corps.** – ~~The United States Army Corps of Engineers.~~

41 **(2) Costs associated with a dredging project.** – ~~Includes the cost of the dredging~~
42 ~~operation, surveys or studies directly attributable to the project, and the costs of~~
43 ~~disposal of dredged material.~~

44 **(3) Navigational emergency.** – ~~With respect to a shallow draft navigation channel,~~
45 ~~the removal of or statement of intent to remove one or more navigational buoys~~
46 ~~by the United States Coast Guard from the channel due to shoaling.~~

47 **(4) Shallow draft navigation channel.** – (i) ~~a—A~~ waterway connection with a
48 maximum depth of 16 feet between the Atlantic Ocean and a bay or the Atlantic
49 Intracoastal Waterway, (ii) a river entrance to the Atlantic Ocean through which
50 tidal and other currents flow, or (iii) other interior coastal waterways. ~~"Shallow~~

Line 6 is a Tech.
Change

~~draft navigation channel~~" The term 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, Hatteras Inlet, Rollinson, Shallotte River, Silver Lake Harbor, and the waterway connecting Pamlico Sound and Beaufort Harbor."

SECTION 14.6.(b) Notwithstanding G.S. 143-215.73F, the funds available in the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund shall be reserved for all of the following purposes:

- (1) The sum of four million dollars (\$4,000,000) shall be reserved for Oregon Inlet dredging needs.
- (2) The sum of one hundred fifty thousand dollars (\$150,000) shall be reserved to reimburse the Department of Administration for its costs associated with exploring options for acquiring Oregon Inlet and the adjacent real property, including, but not limited to, surveys and appraisals, legal research, and studies related to sand management, engineering proposals, and larval transport.
- (3) The sum of seven hundred fifty thousand dollars (\$750,000) shall be reserved to reimburse the Department of Administration for its costs associated with the implementation of Section 14.7(g) of S.L. 2014-100. Upon completion of the actions defined in Sections 14.7(a) through (f) of S.L. 2014-100 by the Secretary of Administration and the federal government, Section 14.7(g) of S.L. 2014-100 is repealed. The Department of Administration shall use the report submitted by the Department of Transportation pursuant to Section 14.7(h) of S.L. 2014-100 and consult with the Department of Transportation when prioritizing condemnation of all existing and future transportation corridors on the Outer Banks, a right retained by the State and recorded in a deed executed on August 7, 1958, when these lands were conveyed to the federal government.
- (4) The sum of two hundred fifty thousand dollars (\$250,000) shall be reserved for use by the Department of Environment and Natural Resources to update the Beach and Inlet Management Plan. The Department may enter into a sole-source contract of up to two hundred fifty thousand dollars (\$250,000) with the firm that developed the initial Plan to have the firm update the Plan. The updated Plan shall include a recommended schedule for ongoing inlet maintenance. No later than December 1, 2016, the Department shall report to the Environmental Review Commission on the updated Plan.

The conditions on funding set out in G.S. 143-215.73F(c) may not be waived pursuant to G.S. 143-215.73F(d) for funds reserved for the Oregon Inlet dredging needs set out in subdivision (1) of this subsection. If State funds reserved for the purposes listed above are not spent or encumbered by June 30, 2016, the State funds shall be unreserved and made available for any of the uses set out in G.S. 143-215.73F.

SECTION 14.6.(c) Article 21 of Chapter 143 of the General Statutes is amended by adding a new Part to read:

"Part 8C. Deep Draft Navigation Channel Dredging and Maintenance Fund.
"§ 143-215.73G. Deep Draft Navigation Channel Dredging and Maintenance Fund.

(a) Fund Established. – The Deep Draft Navigation Channel Dredging and Maintenance Fund is established as a special revenue fund. The Fund consists of General Fund appropriations, gifts, or grants, including monies contributed by a non-State entity for a particular dredging project or group of projects and any other revenues specifically allocated to the Fund by an act of the General Assembly.

1 (b) Uses of the Fund. – Revenue credited to the Fund may only be used for costs associated
2 with projects providing safe and efficient navigational access to a State Port, including the design,
3 construction, expansion, modification, or maintenance of deep draft navigation channels, turning
4 basins, berths, and related structures, as well as surveys or studies related to any of the foregoing
5 and the costs of disposal of dredged material.

6 (c) Conditions on Funding. – State funds credited to the Fund from the sources described in
7 subsection (a) of this section must be cost-shared on a one-to-one basis with funds provided by the
8 State Ports Authority, provided that:

9 (1) Funds contributed to the Fund by a non-State entity are not considered State
10 funds and may be used to provide the cost share required by this subsection.

11 (2) The Secretary may waive or modify the cost-share requirement for any project
12 that supplements Corps funding for a study authorized by the Corps related to
13 navigational access to a State Port, based on availability of alternate funding
14 sources.

15 (d) Return of Non-State Entity Funds. – Non-State entities that contribute to the Fund for a
16 particular project or group of projects may make a written request to the Secretary that the
17 contribution be returned if the contribution has not been spent or encumbered within two years of
18 receipt of the contribution by the Fund. If the written request is made prior to the funds being spent
19 or encumbered, the Secretary shall return the funds to the entity within 30 days after the later of (i)
20 receiving the request or (ii) the expiration of the two-year period described by this subsection.

21 (e) Definitions. – The following definitions apply in this Part:

22 (1) Corps. – The United States Army Corps of Engineers.

23 (2) State Port. – Facilities at Wilmington or Morehead City managed or operated by
24 the State Ports Authority."

25 **SECTION 14.6.(d)** SPA Memorandum of Agreement. – The State Ports Authority shall
26 negotiate with the United States Army Corps of Engineers (hereafter, "Corps") a memorandum of
27 agreement allowing for nonfederal funding of dredging and related studies or maintenance at the
28 State Ports located at Wilmington and Morehead City. The memorandum required by this
29 subsection shall be for as long a term as possible.

30 **SECTION 14.6.(e)** DENR Memorandum of Agreement. – The Division of Water
31 Resources of the Department of Environment and Natural Resources shall negotiate with the Corps
32 a memorandum of agreement allowing for nonfederal funding of dredging of Oregon Inlet. The
33 memorandum required by this subsection shall be for as long a term as possible.

34 **SECTION 14.6.(f)** Port Access Lands Acquisition Agreement. – Notwithstanding
35 Chapter 146 of the General Statutes or any other provision of law, the Department of
36 Administration, on behalf of the State, shall seek to initiate negotiations with the appropriate agency
37 of the federal government for an agreement to acquire the federally owned property necessary for
38 management of deep draft navigation channels providing access to State Port facilities at Morehead
39 City from the federal government in exchange for State-owned real property.

40 (1) Interagency cooperation. – The North Carolina Ports Authority and the
41 Department of Transportation shall be included in the planning and carrying out
42 of these negotiations, but the ultimate approval authority remains solely with the
43 Secretary of the Department of Administration.

44 (2) Terms of agreement. – The Secretary of the Department of Administration shall
45 have the authority to negotiate the terms of the acquisition agreement. The
46 agreement (i) shall provide for the acquisition of interests in real property
47 described in this subsection and no other; (ii) shall provide that the conveyances
48 described in the agreement become effective as soon as practicable; and (iii) shall
49 incorporate the relevant terms of this subsection.

50 (3) Execution of deeds. – Within 30 days of the acquisition becoming effective, the
51 Attorney General shall execute any documents or deeds necessary to effectuate

1 the acquisition under the exact terms set forth in the acquisition agreement. All
2 State agencies and officials shall cooperate to the fullest extent possible in
3 effectuating the acquisition agreement.

4 (4) Reporting. – Within 30 days after an agreement is entered into pursuant to this
5 section, the Secretary of the Department of Administration shall report to the
6 Joint Legislative Commission on Governmental Operations on the terms of the
7 agreement.

8 **SECTION 14.6.(g)** Contested Case Exemption. – G.S. 150B-1(e) is amended by adding
9 a new subdivision to read:

10 "(e) Exemptions From Contested Case Provisions. – The contested case provisions of this
11 Chapter apply to all agencies and all proceedings not expressly exempted from the Chapter. The
12 contested case provisions of this Chapter do not apply to the following:

13 ...
14 (22) The Secretary of Environment and Natural Resources for the waiver or
15 modification of non-State cost-share requirements under G.S. 143-215.73F and
16 G.S. 143-215.73G."

17 **SECTION 14.6.(h)** The General Assembly finds that the New Inlet Dam or "The
18 Rocks" is a breakwater established by the United States Army Corps of Engineers in the late 1800s.
19 The New Inlet Dam is composed of two components, a Northern Component that extends from
20 Federal Point to Zeke's Island and a Southern Component that extends southwestward from Zeke's
21 Island and separates the New Inlet from the main channel of the Cape Fear River. The General
22 Assembly further finds that the Southern Component of the New Inlet Dam impedes the natural
23 flow of water between the Cape Fear River and the Atlantic Ocean that occurred prior to
24 emplacement of the dam. The General Assembly further finds that it is necessary to remove the
25 Southern Component of the New Inlet Dam in order to reestablish the natural hydrodynamic flow
26 between the Cape Fear River and the Atlantic Ocean. To this end, the Department of Environment
27 and Natural Resources shall do all of the following:

28 (1) Notify the United States Army Corps of Engineers of the State's intent to remove
29 the Southern Component of the New Inlet Dam.

30 (2) Issue a Request for Proposals for a firm capable of conducting all aspects of
31 removal of the Southern Component of the New Inlet Dam, including securing
32 all necessary State and federal permits and developing and implementing a
33 removal plan. Identification of a capable firm pursuant to this section shall be
34 done in accordance with Article 8 of Chapter 143 of the General Statutes.

35 (3) Execute a contract with the firm chosen to implement subdivision (2) of this
36 subsection and exercise oversight of the fulfillment of the contract. Execution of
37 a contract pursuant to this section shall be done in accordance with Article 8 of
38 Chapter 143 of the General Statutes.

39 (4) Request approval from the National Oceanic and Atmospheric Administration to
40 adjust the boundary established for Zeke's Island for both of the following
41 changes:

42 a. Moving the current western boundary 200 feet seaward and removing the
43 area that lies between the current boundary and the new boundary from
44 the North Carolina National Estuarine Research Reserve.

45 b. Compensating for any loss of acreage pursuant to sub-subdivision a. of
46 this subdivision by adding a corresponding amount of acreage to the
47 northern boundary of Zeke's Island from adjacent acreage at Fort Fisher
48 State Recreation Area.

49 (5) If the Department obtains approval from the National Oceanic and Atmospheric
50 Administration to adjust the boundary established for Zeke's Island as described
51 in subdivision (4) of this subsection, the Coastal Resources Commission shall

1 amend 15A NCAC 070 .0105 (North Carolina Coastal Reserve: Reserve
2 Components) as follows:

- 3 a. Definitions. – "Reserve Components Rule" means 15A NCAC 070 .0105
4 (North Carolina Coastal Reserve: Reserve Components) for purposes of
5 this section and its implementation.
6 b. Reserve Components Rule. – Until the effective date of the revised
7 permanent rule that the Coastal Resources Commission is required to
8 adopt pursuant to sub-subdivision d. of this subdivision, the Commission
9 and the Department of Environment and Natural Resources shall
10 implement the Reserve Components Rule, as provided in sub-subdivision
11 c. of this subdivision.
12 c. Implementation. – Notwithstanding the Reserve Components Rule, the
13 Commission shall adjust the boundary established for Zeke's Island in
14 conformance with any boundary change that is approved by the National
15 Oceanic and Atmospheric Administration pursuant to subdivision (4) of
16 this subsection.
17 d. Additional rule-making authority. – The Commission shall adopt a rule to
18 replace the Reserve Components Rule. Notwithstanding G.S. 150B-19(4),
19 the rule adopted by the Commission pursuant to this subdivision shall be
20 substantively identical to the provisions of sub-subdivision c. of this
21 subdivision. Rules adopted pursuant to this subdivision are not subject to
22 Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules
23 adopted pursuant to this subdivision shall become effective as provided in
24 G.S. 150B-21.3(b1) as though 10 or more written objections had been
25 received as provided by G.S. 150B-21.3(b2).
26 e. Effective date. – Sub-subdivision c. of this subdivision expires when
27 permanent rules to replace sub-subdivision c. of this subdivision have
28 become effective, as provided by sub-subdivision d. of this subdivision.

29 Notwithstanding any other provision of law, the Department of Environment and Natural
30 Resources may use funds from the Deep Draft Navigation Channel Dredging and Maintenance
31 Fund, established pursuant to G.S. 143-215.73G, as enacted by subsection (c) of this section, to
32 implement this subsection.

33 **SECTION 14.6.(i) Coastal Waterways User Identification Number and Fee.** – Article 1
34 of Chapter 75A of the General Statutes is amended by adding a new section to read:

35 **"§ 75A-5.3. Coastal Waterways User Identification Number required.**

36 (a) Definitions. – As used in this section, "coastal fishing waters" has the same meaning as
37 in G.S. 113-129.

38 (b) Coastal Waterways User Identification Number Required. – All of the following vessels
39 are required to be numbered with a Coastal Waterways User Identification Number issued by the
40 Wildlife Resources Commission:

41 (1) A vessel required to be numbered pursuant to G.S. 75A-4 that is 24 feet or more
42 in length and that is operated in the coastal fishing waters of the State.

43 (2) A vessel that (i) is numbered in accordance with applicable federal law or in
44 accordance with a federally approved numbering system of another state, (ii) is
45 24 feet or more in length, and (iii) is used to engage in commercial or
46 recreational fishing in the coastal fishing waters of the State under any of the
47 following fishing licenses:

48 a. A Standard Commercial Fishing License issued pursuant to
49 G.S. 113-168.2

50 b. A Retired Standard Commercial Fishing License issued pursuant to
51 G.S. 113-168.3.

c. A Shellfish License issued pursuant to G.S. 113-169.2.

d. A Recreational Commercial Gear License issued pursuant to G.S. 113-173.

e. A Coastal Recreational Fishing License issued pursuant to G.S. 113-174.2 or G.S. 113-351.

f. A For-Hire License issued pursuant to G.S. 113-174.3.

(c) Fees. — The annual fee for a Coastal Waterways User Identification Number shall be calculated by rounding down the length of the vessel to the nearest foot, dividing this length by eight, and multiplying the result by the length of the vessel rounded down to the nearest foot. The result of this calculation shall be rounded down to the nearest cent, and this result shall be the dollar amount of the annual fee for each vessel. Notwithstanding this subsection, an annual fee for a Coastal Waterways User Identification Number shall not be greater than the fee for a 100-foot vessel. The funds collected pursuant to this section shall be credited on a quarterly basis to the Shallow Draft Navigation Channel Dredging and Lake Maintenance Fund established by G.S. 143-215.73F.

(d) Renewal of Number. — An owner of a vessel issued a Coastal Waterways User Identification Number pursuant to this section shall renew the number on or before the number expires. If the number is not renewed before it expires, it shall lapse and be void until such time as it may thereafter be renewed. Application for renewal shall be submitted on a form approved by the Commission and shall be accompanied by a fee in the amount set forth in subsection (c) of this section.

(e) Duplicate Number. — The Commission shall issue a duplicate number for a Coastal Waterways User Identification Number upon application by the person entitled to hold the number if the Commission is satisfied the original number has been lost, stolen, mutilated, destroyed, or has become illegible.

(f) Vessel Change of Ownership. — Should the ownership of a vessel with a valid Coastal Waterways User Identification Number change, a new application form with the fee set forth in subsection (c) of this section shall be filed with the Commission by the new owner upon expiration if the new owner intends to use the vessel as described in subsection (b) of this section. Coastal Waterways User Identification Numbers are not transferable from one vessel to another.

(g) Duration. — Coastal Waterways User Identification Numbers are valid for a period of 12 months from the date of issuance. Subsequent renewals made before the expiration date of the number are valid the first day after the expiration of the currently valid number. Renewals made after the number expires are valid for a period of 12 months from the date of issuance.

(h) Display. — Notwithstanding G.S. 75A-5(k), the Coastal Waterways User Identification Number shall be displayed on each side of the bow of the vessel.

(i) Penalty. — A person who fails to obtain and display the Coastal Waterways User Identification Number required by this section is responsible for an infraction as provided in G.S. 14-3.1 and shall pay a fine equal to the amount of the fee for the applicable Coastal Waterways User Identification Number.

(j) Rule Making. — The Wildlife Resources Commission shall adopt rules to implement this section."

SECTION 14.6.(j) G.S. 75A-5.2(c) reads as rewritten:

"(c) As compensation for services rendered to the Commission and to the general public, vessel agents shall receive the surcharge listed below. The surcharge shall be added to the fee for each certificate issued.

(1) Renewal of certificate of number – \$3.00.

(2) Transfer of ownership and certificate of number – \$5.00.

(3) Issuance of new certificate of number – \$5.00.

(4) Issuance of duplicate certificate of number – \$3.00.

(5) Issuance or transfer of certificate of title – \$5.00.

(6) Issuance of new, duplicate, or renewal Coastal Waterways User Identification Number – \$3.50."

SECTION 14.6.(k) The Wildlife Resources Commission shall disseminate information regarding the Coastal Waterways User Identification Number to the public in order to inform affected vessel owners of the Coastal Waterways User Identification Number requirements.

SECTION 14.6.(l) Coastal Waterways User Fee Administrative Costs. – Notwithstanding G.S. 75A-3, of the funds to be transferred to the Shallow Draft Navigation Channel and Lake Dredging Fund pursuant to G.S. 75A-3, the Wildlife Resources Commission may retain up to two hundred fifty thousand dollars (\$250,000) in each fiscal year of the 2015-2017 fiscal biennium to implement subsections (i), (j), and (k) of this section.

SECTION 14.6.(m) Amend Dare County Occupancy Tax. – Effective July 1, 2015, for net proceeds collected on or after that date, Chapter 449 of the 1985 Session Laws, as amended by Chapters 177 and 906 of the 1991 Session Laws, Part VII of S.L. 2001-439, and Section 7 of S.L. 2010-78, is amended by adding a new section to read:

"Sec. 3.3. Waterway Maintenance. – Notwithstanding any provision restricting the use of taxes authorized in this act, the county may use up to three million dollars (\$3,000,000) of the net proceeds of the taxes authorized by Sections 3.1 and 3.2 of this act per fiscal year for maintenance of waterways located wholly or partially in the county. This section is repealed for fiscal years beginning on or after July 1, 2020."

SECTION 14.6.(n) Section 1 of S.L. 2013-182 is repealed.

SECTION 14.6.(o) G.S. 153A-132(i), as rewritten by S.L. 2013-182, reads as rewritten:

"(i) A county may by ordinance prohibit the abandonment of vessels in navigable waters within the county's ordinance-making jurisdiction, subject to the provisions of this subsection. The provisions of this section shall apply to abandoned vessels in the same manner that they apply to abandoned or junked motor vehicles to the extent that the provisions may apply to abandoned vessels. For purposes of this subsection, an "abandoned vessel" is one that meets any of the following:

(1) A vessel that is moored, anchored, or otherwise located for more than 30 consecutive days in any 180 consecutive-day period without permission of the dock owner.

(2) A vessel that is in danger of sinking, has sunk, is resting on the bottom, or is located such that it is a hazard to navigation or is an immediate danger to other vessels.

Shipwrecks, vessels, cargoes, tackle, and other underwater archeological remains that have been in place for more than 10 years shall not be considered abandoned vessels and shall not be removed under the provisions of this section without the approval of the Department of Cultural Resources, which is the legal custodian of these properties pursuant to G.S. 121-22 and G.S. 121-23. This subsection applies only to the counties set out in G.S. 113A-103(2)."

SECTION 14.6.(p) The Coastal Resources Commission shall amend its rules for the use of temporary erosion control structures to provide for all of the following:

(1) Allow the placement of temporary erosion control structures on a property that is experiencing coastal erosion even if there are no imminently threatened structures on the property if the property is adjacent to a property where temporary erosion control structures have been placed.

(2) Allow the placement of contiguous temporary erosion control structures from one shoreline boundary of a property to the other shoreline boundary, regardless of proximity to an imminently threatened structure.

(3) The termination date of all permits for contiguous temporary erosion control structures on the same property shall be the same and shall be the latest termination date for any of the permits.

1 (4) The replacement, repair, or modification of damaged temporary erosion control
2 structures that are either legally placed with a current permit or legally placed
3 with an expired permit, but the status of the permit is being litigated by the
4 property owner.

5 **SECTION 14.6.(q)** The Coastal Resources Commission shall adopt temporary rules to
6 implement subsection (p) of this section no later than December 31, 2015. The Commission shall
7 also adopt permanent rules to implement this section.

8 **SECTION 14.6.(r)** Subsections (a) through (i) of G.S. 75A-5.3, as enacted by
9 subsection (i) of this section, become effective January 1, 2016.

10
11 **Note: Senate provision similar to S160 (Enhance Safety & Commerce for**
12 **Ports/Inlets, in House Rules Committee).**
13

House and Senate Differ (Technical changes only; Senate is correct version)

Senate Version

AMEND SENATOR JEAN PRESTON MARINE SHELLFISH SANCTUARY
LEGISLATION

SECTION 14.9. 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 shall 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, shall be included in the Senator Jean Preston Oyster Sanctuary Network. The plan shall include the following components:

(1) Location and delineation of ~~the sanctuary.~~ oyster sanctuaries. – The plan should include ~~a location~~ locations for ~~the sanctuary~~ 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 Division be transferred to the General Fund with a recommendation that some or all of the proceeds be used for the support of the State's special education programs in memory of Senator Jean Preston.~~

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

a. Provisions and recommendations to facilitate the availability of oyster seed produced in North Carolina for wild oyster habitat restoration

- projects as well as oyster aquaculture and to reduce potential negative impacts from importation of non-native oyster seed.
- b. Plans, where feasible, for public-private partnerships for State-based production of viable oyster seed through the creation of one or more production hatcheries and recommendations for increased support of the existing research hatchery at UNC-Wilmington.
- c. Plans and cost estimates for an expansion of cultch planting in suitable areas of the State's coastal waters in order to expand areas suitable for development of wild oyster habitat.
- (4) Economic relief. – The plan should consider a waiver of application fees and yearly rental fees for new shellfish leases for an established period of time to further promote and support shellfish aquaculture in North Carolina. The new leasing fee waiver program should include measures to discourage speculation and target persons with a genuine interest in starting a shellfish aquaculture business, such as a requirement that the lease be nontransferable for a five-year period.
- (5) Outreach. – The plan should include outreach and education that promotes, whenever possible, public-private partnerships utilizing the Sea Grant College Program, local colleges, and other nongovernmental organizations to (i) encourage shellfish aquaculture and provide technical assistance to broaden cost-effective technologies available to leaseholders; (ii) encourage best management practices to leaseholders; and (iii) inform fishermen and the public on the benefits provided by the Senator Jean Preston Oyster Sanctuary Network.
- (6) Monitoring. – The plan should include a monitoring plan designed to (i) determine the success of oyster reef construction and (ii) evaluate the cost benefit of the oyster sanctuary network and harvestable enhancement sites.
- ~~(3)(7)~~ Funding. – The plan should include a request for appropriations sufficient to provide funds for the construction of appropriate bottom habitat and shellfish seeding and for Division staff necessary to conduct oyster restoration and monitoring activities. The plan should provide that, whenever possible, construction and shellfish seeding be carried out by contract with private entities for Division staff to expand oyster restoration and monitoring activities for 10 years. The plan should provide that, whenever possible, public-private partnerships are employed to meet the construction, seeding, and outreach requirements of the plan.
- ~~(4)~~ Commercial fisherman relief. – To promote the diversification of commercial fishing opportunities, the plan should include a program to award free or discounted leases under this section to commercial fishermen who (i) have held one or more commercial fishing licenses continually for a period of 10 or more years and (ii) receive at least fifty percent (50%) of their income from commercial fishing with those licenses.
- ~~(5)(8)~~ Recommendations. – The plan ~~should~~ shall include recommendations for statutory or regulatory changes needed to expedite the expansion of shellfish restoration and harvesting in order to improve water quality, restore ecological habitats, provide enhanced recreational and commercial fishing opportunities, and expand the coastal economy.
- (9) No funding for sanctuaries in closed areas. – The plan shall provide that no funding or other resources shall be available in water bodies where a moratorium or other legal prohibition on shellfish leasing under Article 16 of Chapter 113 of the General Statutes is currently in effect. This subdivision does not apply to

1 leasing moratoria imposed because the area is closed to shellfish harvesting or
2 recommended for closure by the State Health Director due to pollution.

3 "SECTION 44.(c) No later than ~~December 1, 2014, and quarterly thereafter~~ until submission of
4 a final plan to the Environmental Review Commission, March 1, 2016, the Department of
5 Environment and Natural Resources shall report to the Environmental Review Commission
6 Chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and
7 Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources,
8 and the Fiscal Research Division regarding its implementation of this section and its recommended
9 plan."
10
11

House and Senate Differ (Technical changes only; Senate is correct version)

Senate Version

SHELLFISH CULTIVATION LEASING REFORM

SECTION 14.10.(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 14.10.(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, leases~~ 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 14.10.(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.

1
2 **Senate Only**

3 **SIMPLIFY OYSTER RESTORATION PROJECT PERMITTING**

4 **SECTION 14.10A.(a)** The Division of Marine Fisheries and Division of Coastal
5 Management of the Department of Environment and Natural Resources shall, in consultation with
6 representatives of nongovernmental conservation organizations working on oyster restoration,
7 create a new permitting process specifically designed for oyster restoration projects that apply to
8 oyster restoration projects instead of a major development permit under G.S. 113A-118. The
9 Department shall submit its report, including recommended legislation, to the Environmental
10 Review Commission no later than May 1, 2016.

11 **SECTION 14.10A.(b)** Until the effective date of the revised permanent rule that the
12 Coastal Resources Commission is required to adopt pursuant to subsection (d) of this section, the
13 Commission and the Department of Environment and Natural Resources shall implement 15A
14 NCAC 03O .0503(g) (Scientific or Educational Activity Permit) as provided in subsection (c) of
15 this section.

16 **SECTION 14.10A.(c)** Notwithstanding 15A NCAC 03O .0503(g) (Scientific or
17 Educational Activity Permit), the Division of Marine Fisheries may issue a scientific or educational
18 activity permit for approved activities conducted by or under the direction of a nongovernmental
19 conservation organization in addition to a scientific or educational institution. For purposes of this
20 section, a nongovernmental conservation organization is defined as an organization whose primary
21 mission is the conservation of natural resources.

22 **SECTION 14.10A.(d)** The Environmental Management Commission shall adopt rules
23 to amend 15A NCAC 03O .0503(g) and any other cross-referenced rules consistent with subsection
24 (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant
25 to this subsection shall be substantively identical to the provisions of subsection (c) of this section.
26 Rules adopted pursuant to this subsection are not subject to Part 3 of Article 2A of Chapter 150B of
27 the General Statutes. Rules adopted pursuant to this subsection shall become effective as provided
28 in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by
29 G.S. 150B-21.3(b2).

30 **SECTION 14.10A.(e)** This section is effective when this act becomes law. Subsection
31 (c) of this section expires on the date that rules adopted pursuant to subsection (d) of this section
32 become effective.
33

34 **Note: Substantially identical to provision of S573 (Strengthen Oyster Industry,**
35 **Senate Commerce Committee).**
36

1
2 **Senate Only**

3 **SCFL EXEMPTION FOR EMPLOYEES OF LEASEHOLDER**

4 **SECTION 14.10B.** G.S. 113-169.2 reads as rewritten:

5 **"§ 113-169.2. Shellfish license for North Carolina residents without a SCFL.**

6 (a) License or Endorsement Necessary to Take or Sell Shellfish Taken by Hand Methods. –
7 It is unlawful for an individual to take shellfish from the public or private grounds of the State as
8 part of a commercial fishing operation by hand methods without holding either a shellfish license or
9 a shellfish endorsement of a SCFL. A North Carolina resident who seeks only to take shellfish by
10 hand methods and sell such shellfish shall be eligible to obtain a shellfish license without holding a
11 SCFL. The shellfish license authorizes the licensee to sell shellfish.

12 (a1) License Necessary to Take or Sell Shellfish Taken by Mechanical Means. – ~~Subject to~~
13 Except as provided in subsection (i) of this section, an individual who takes shellfish from the
14 public or private grounds of the State by mechanical means must obtain an SCFL under the
15 provisions of G.S. 113-168.2.

16 ...
17 (i) Taking Shellfish Without a License for Personal ~~Use.~~Use or as Employee of Certain
18 License Holders. – Shellfish may be taken without a license ~~for~~under the following circumstances:

19 (1) For personal use in quantities established by rules of the Marine Fisheries
20 Commission.

21 (2) When the taking is from an area leased for the cultivation of shellfish under
22 Article 16 of this Chapter by a person who is an employee of a leaseholder
23 holding a valid SCFL issued under the provisions of G.S. 113-168.2."
24

25 **Note: Substantially identical to provision of S573 (Strengthen Oyster Industry,**
26 **Senate Commerce Committee).**
27

1
2 **Senate Only**

3 **WATER COLUMN LEASING CLARIFICATION**

4 **SECTION 14.10C.(a)** G.S. 113-201.1(5) reads as rewritten:

5 | "(5) "Water column" means the vertical extent of water, including the surface ~~thereof~~,
6 above a designated area of submerged bottom land."

7 **SECTION 14.10C.(b)** G.S. 113-202 is amended by adding a new subsection to read:

8 | "(r) A lease under this section shall include the right to place devices or equipment related to
9 the cultivation or harvesting of marine resources on or within 18 inches of the leased bottom.
10 Devices or equipment not resting on the bottom or extending more than 18 inches above the bottom
11 will require a water column lease under G.S. 113-202.1."

12 **SECTION 14.10C.(c)** G.S. 113-202.1 reads as rewritten:

13 **"§ 113-202.1. Water column leases for aquaculture.**

14 ...

15 | (c) The Secretary shall not amend shellfish cultivation leases to authorize ~~use~~-uses of the
16 water column involving devices or equipment not resting on the bottom or that extend more than 18
17 inches above the bottom unless:

- 18 (1) The leaseholder submits an application, accompanied by a nonrefundable
19 application fee of one hundred dollars (\$100.00), which conforms to the
20 standards for lease applications in G.S. 113-202(d) and the duly adopted rules of
21 the Commission;
- 22 (2) The proposed amendment has been noticed consistent with G.S. 113-202(f);
- 23 (3) Public hearings have been conducted consistent with G.S. 113-202(g);
- 24 (4) The aspects of the proposals which require use and dedication of the water
25 column have been documented and are recognized by the Secretary as
26 commercially feasible forms of aquaculture which will enhance shellfish
27 production on the leased area;
- 28 (5) It is not feasible to undertake the aquaculture activity outside of coastal fishing
29 waters; and
- 30 (6) The authorized water column use has the least disruptive effect on other public
31 trust uses of the waters of any available technology to produce the shellfish
32 identified in the proposal.

33"

34
35 **Note: Substantially identical to provision of S573 (Strengthen Oyster Industry,**
36 **Senate Commerce Committee).**
37

1
2 **Senate Only**

3 **BLUE RIBBON OYSTER STUDY**

4 **SECTION 14.10D.** The Joint Legislative Oversight Committee on Natural and
5 Economic Resources created by this act shall convene a stakeholder working group to study and
6 advance efforts to ecologically restore the resource and achieve economic stability of the shellfish
7 aquaculture industry, including (i) how best to spend financial resources to counter declining oyster
8 populations and habitats; (ii) the use of nonnative oyster species to accomplish oyster restoration;
9 (iii) means of combating oyster disease and managing harvesting practices to balance the needs of
10 the industry and promote long-term viability and health of oyster habitat and substrate; (iv)
11 economic aquaculture methods to improve oyster stock and populations; (v) long-term, dedicated
12 options for funding sources and water quality improvements; (vi) means to increase oyster
13 production for both population growth and harvest; (vii) options that expand the use of private
14 hatchery capacity in the State; (viii) options for promoting the use of cultch planting to enhance and
15 increase oyster habitat and population; (ix) other resources that might be leveraged to enhance
16 reform efforts; and (x) any other issue the Committee deems relevant. In the conduct of this study,
17 the Committee may consult with representatives of the North Carolina Division of Marine Fisheries,
18 the Marine Fisheries Commission, nature conservation entities, and commercial and recreational
19 oyster harvesting industries and with experts in the fields of marine biology and marine ecology.
20 The Department of Environment and Natural Resources shall provide any information and
21 personnel requested by the Committee in the conduct of this study.
22

1
2 **Senate Only**

3 **FISHERY MANAGEMENT PLAN PROCEDURES**

4 **SECTION 14.10E.(a)** The Marine Fisheries Commission shall study its procedures for
5 adoption of temporary supplemental management measures to the State's fishery management plans.
6 The study shall include a review of the opportunities provided in the process for public input and
7 comment from commercial and recreational fishing interests, local governments, environmental and
8 conservation nonprofits, and other stakeholders, and an assessment of whether economic impact of
9 a proposed measure is adequately addressed in the formulation, approval, and implementation of
10 temporary supplemental management measures. The Commission shall report no later than May 1,
11 2016, to the chairs of the Senate Natural and Economic Resources Committee, the chairs of the
12 House Agriculture and Natural and Economic Resources Committee, and the Fiscal Research
13 Division.

14 **SECTION 14.10E.(b)** The Marine Fisheries Commission shall not adopt any temporary
15 supplemental management measures to the State's fishery management plans until the study
16 required by this section has been submitted or July 1, 2016, whichever occurs later.
17
18

1
2 **Senate Only**

3 **DIVISION OF MARINE FISHERIES/NO JOINT ENFORCEMENT AGREEMENTS**

4 **SECTION 14.10F.(a)** G.S. 113-224 reads as rewritten:

5 **"§ 113-224. Cooperative agreements by Department.**

6 | (a) ~~The~~ Except as otherwise provided in this section, the Department is empowered to enter
7 into cooperative agreements with public and private agencies and individuals respecting the matters
8 governed in this Subchapter. Pursuant to such agreements the Department may expend funds, assign
9 employees to additional duties within or without the State, assume additional responsibilities, and
10 take other actions that may be required by virtue of such agreements, in the overall best interests of
11 the conservation of marine and estuarine resources.

12 | (b) The Fisheries Director or a designee of the Fisheries Director may not enter into an
13 agreement with the National Marine Fisheries Service of the United States Department of
14 Commerce allowing Division of Marine Fisheries inspectors to accept delegation of law
15 enforcement powers over matters within the jurisdiction of the National Marine Fisheries Service."

16 **SECTION 14.10F.(b)** G.S. 128-1.1(c2) is repealed.
17

18 **Note: Substantially identical to provision of S374 (Modify For Hire License Logbook**
19 **Requirement, House Rules Committee).**
20

1
2 **Senate Only**

3 **COMMERCIAL FISHING FOR-HIRE LOGBOOK**

4 **SECTION 14.10G.(a)** G.S. 113-174.3(e), as enacted by subsection 14.8(o) of S.L.
5 2013-360, reads as rewritten:

6 | "(e) Each individual who obtains a for-hire license ~~shall~~may submit to the Division logbooks
7 summarizing catch and effort statistical data to the Division. The Commission may adopt rules that
8 determine the means and methods to satisfy the requirements of this subsection."

9 **SECTION 14.10G.(b)** Section 14.8(ab) of S.L. 2013-360 reads as rewritten:

10 | "SECTION 14.8.(ab) ~~This G.S. 113-174.3(e), as enacted by subsection 14.8(o) of this section,~~
11 ~~becomes effective January 1, 2016. The remainder of this~~ section becomes effective August 1,
12 2013."

13 **SECTION 14.10G.(c)** Prior to any further implementation of subsection 14.8(o) of S.L.
14 2013-360, the Division of Marine Fisheries shall conduct a 12-month implementation process to
15 include seeking input from stakeholders with regard to the requirement and public workshops to
16 provide education for persons subject to the requirement. The process shall also include the
17 establishment of a stakeholder advisory group that includes persons who are for-hire license holders
18 representing all major recreational fishing areas on the North Carolina coast. The Division shall
19 review and provide a written response to any issues raised by the advisory group and shall report to
20 the Environmental Review Commission no later than January 15, 2016, regarding the
21 implementation process required by this section.
22

23 **Note: Substantially identical to provision of S374 (Modify For Hire License Logbook**
24 **Requirement, House Rules Committee).**
25

1
2 **Senate Only**

3 **DISCLOSURE OF PERSONAL IDENTIFYING INFORMATION**

4 **SECTION 14.10H.(a)** G.S. 143-254.5 reads as rewritten:

5 **"§ 143-254.5. Disclosure of personal identifying information.**

6 Social security numbers and identifying information obtained by the Commission shall be
7 treated as provided in G.S. 132-1.10. For purposes of this section, "identifying information" also
8 includes a person's mailing address, residence address, e-mail address, date of birth, and telephone
9 number."

10 **SECTION 14.10H.(b)** G.S. 143B-289.52(h) reads as rewritten:

11 "(h) Social security numbers and identifying information obtained by the Commission or the
12 Division of Marine Fisheries shall be treated as provided in G.S. 132-1.10. For purposes of this
13 subsection, "identifying information" also includes a person's mailing address, residence address,
14 e-mail address, date of birth, and telephone number."
15

1
2 **Senate Only**

3 **BEACH EROSION STUDY**

4 **SECTION 14.10I.(a)** The Division of Coastal Management shall study and develop a
5 proposed strategy for preventing, mitigating, and remediating the effects of beach erosion. The
6 study shall consider efforts by other states and countries to prevent beach erosion and ocean
7 overwash and to renourish and sustain beaches and coastlines and incorporate best practices into the
8 strategy.

9 **SECTION 14.10I.(b)** By February 15, 2016, the Division of Coastal Management shall
10 report to the Environmental Review Commission, the chairs of the Senate Appropriations
11 Committee on Natural and Economic Resources and the House Appropriations Committee on
12 Agriculture, Natural, and Economic Resources, and the Fiscal Research Division on the results of
13 the study and its proposed strategy as required by subsection (a) of this section, including any
14 legislative recommendations.
15

House and Senate Differ

House Version

DYNAMIC PRICING FOR STATE PARKS AND ATTRACTIONS

SECTION 14.11.(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 14.11.(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 14.11.(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 14.11.(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 14.11.(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.

1 **Senate Version**

2 **DYNAMIC PRICING FOR STATE PARKS AND ATTRACTIONS**

3 **SECTION 14.11.(a)** G.S. 150B-1(d) reads as rewritten:

4 **"§ 150B-1. Policy and scope.**

5 ...
6 (d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the
7 following:

- 8 ...
9 (26) The Board of Agriculture in the Department of Agriculture and Consumer
10 Services with respect to ~~annual the following~~:
11 a. ~~Annual~~ admission fees for the State Fair.
12 b. ~~Operating hours, admission fees, or related activity fees at State forests.~~
13 The Board shall annually post the admission fee ~~and operating hours~~ schedule on
14 its Web site and provide notice of the ~~fee~~-schedule, along with a citation to this
15 section, to all persons named on the mailing list maintained pursuant to
16 G.S. 150B-21.2(d).
17 (27) ~~The Department of Environment and Natural Resources with respect to operating~~
18 ~~hours, admission fees, or related activity fees at:~~
19 a. ~~The North Carolina Zoological Park pursuant to G.S. 143B-335.~~
20 b. ~~State parks pursuant to G.S. 113-35.~~
21 c. ~~The North Carolina Aquariums pursuant to G.S. 143B-289.44.~~
22 d. ~~The North Carolina Museum of Natural Sciences.~~
23 ~~The exclusion from rule making for the setting of operating hours set forth in this~~
24 ~~subdivision shall not apply to a decision to eliminate all public operating hours~~
25 ~~for the sites and facilities listed."~~

26 **SECTION 14.11.(b)** The Department of Environment and Natural Resources, or any
27 other department given responsibilities for the North Carolina Zoological Park, State parks, the
28 North Carolina Museum of Natural Sciences, and the North Carolina Aquariums, ~~may~~ establish
29 admission fees and related activity fees. In setting these fees, the Department of Environment and
30 Natural Resources shall use a dynamic pricing strategy as defined in subsection (e) of this section.
31 Any rule currently in the Administrative Code related to fees covered by subsection (a) of this
32 section is ineffective and repealed upon the effective date of new admission fees and related activity
33 fees adopted by the Department under the authority set out in that subsection. Notice of the initial
34 adoption of new admission fees and related activity fees under subsection (a) of this section shall be
35 given by the Department to the Codifier of Rules, who, upon receipt of notice of the initial adoption
36 of new admission fees and related activity fees by the Department, shall note the repeal of these
37 rules in the Administrative Code.

38 **SECTION 14.11.(c)** The Department of Cultural Resources may establish admission
39 fees and related activity fees authorized by G.S. 121-7.3 for historic sites and museums. In setting
40 these fees, the Department shall use a dynamic pricing strategy as defined in subsection (e) of this
41 section.

42 **SECTION 14.11.(d)** The Department of Agriculture and Consumer Services may
43 establish admission fees and related activity fees authorized by G.S. 106-877 for State forests. In
44 setting these fees, the Department shall use a dynamic pricing strategy as defined in subsection (e)
45 of this section.

46 **SECTION 14.11.(e)** For purposes of this section, "dynamic pricing" is the adjustment
47 of fees for admission and related activities from time to time to reflect market forces, including
48 seasonal variations and special event interests, with the intent and effect to maximize revenues from
49 use of these State resources to the extent practicable to offset appropriations from the General
50 Assembly.

1 **SECTION 14.11.(f)** No later than March 1, 2016, the Department of Environment and
2 Natural Resources, the Department of Cultural Resources, and the Department of Agriculture and
3 Consumer Services shall submit a report on implementation of the new pricing strategy to the
4 Environmental Review Commission, including an evaluation of the feasibility and obstacles to
5 charging new entrance or admission fees at other attractions not subject to this section.

6 **SECTION 14.11.(g)** This part applies to admission fees or related activity fees charged
7 on or after the effective date of this act.
8

9 **Note: Senate version is a modified version of provision from S486 (NC Trail**
10 **Expansion/Economic Corridors, Senate Rules Committee).**
11

House Only

STATE PARKS BUDGET/POSITIONS

SECTION 14.12. Effective July 1, 2015, the following positions are eliminated:

Position number

Title

60032794	Accounting Clerk V
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
65020704	Law Enforcement Officer
65020707	Office Assistant IV
60032797	Park Ranger
60033242	Processing Assistant IV
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
60033204	Maintenance Mechanic I

House Only

CAMP SERTOMA FUNDS

SECTION 14.12A. Of the twelve million five hundred thousand dollars (\$12,500,000) in nonrecurring funds appropriated in this act for the Parks and Recreation Trust Fund, the sum of one hundred thousand dollars (\$100,000) shall be reserved for renovations at Camp Sertoma in fiscal year 2015-2016.

House and Senate Differ

House Version

WATER INFRASTRUCTURE AUTHORITY REVISIONS

SECTION 14.13.(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 14.13.(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 14.13.(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.~~ environment. A project 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.~~ system.
- (2) Effect on impaired waters. – A project that improves designated impaired waters of the ~~State has priority.~~ 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.~~ 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.~~ 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 14.13.(c1) 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 Reserve. An investor-owned drinking water corporation is also eligible to apply for a loan or grant from the DWSRF. Other entities are not eligible for a loan or grant from these accounts.

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

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

SECTION 14.13.(d) G.S. 159G-33(a)(4) is recodified as G.S. 159G-33(a)(5).

SECTION 14.13.(e) G.S. 159G-33(a), as amended by subsection (d) of this section, reads as rewritten:

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

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

(2) High unit cost~~Project~~ grant. – A high unit cost~~project~~ grant is available for a portion of the ~~portion of the~~ construction costs of a wastewater collection system ~~project or project,~~ a wastewater treatment works ~~project that results in an~~

- 1 ~~estimated average household user fee for water and sewer service in the area~~
2 ~~served by the project that exceeds the high unit cost threshold project, or a~~
3 ~~stormwater quality project as authorized in G.S. 159G-32(b).~~
4 (3) ~~Technical assistance~~Merger/regionalization feasibility grant. – A ~~technical~~
5 ~~assistance~~merger/regionalization feasibility grant is available to determine the
6 ~~best way to correct the deficiencies in a wastewater collection system or~~
7 ~~wastewater treatment works that either is not in compliance with its permit limits~~
8 ~~or, as identified in the most recent inspection report by the Department under~~
9 ~~G.S. 143-215.3, is experiencing operational problems and is at risk of violating~~
10 ~~its permit limits.~~feasibility of consolidating the management of multiple utilities
11 into a single utility operation or to provide regional treatment and the best way of
12 carrying out the consolidation or regionalization. The Department shall not make
13 a 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 grant
17 is available to inventory the existing water and/or sewer system and document
18 the condition of the inventoried infrastructure.
19 (5) Emergency loan. – An emergency loan is available in the event the Secretary
20 certifies that a serious public health hazard related to the inadequacy of an
21 existing wastewater collection system or wastewater treatment works is present
22 or imminent in a community."

23 **SECTION 14.13.(f)** G.S. 159G-34(a)(4) is recodified as G.S. 159G-34(a)(5).

24 **SECTION 14.13.(g)** G.S. 159G-34(a), as amended by subsection (f) of this section,
25 reads as rewritten:

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

- 29 (1) ~~General.~~Loan. – A loan ~~or grant~~ is available for a project for a public water
30 system.
31 (2) ~~High unit cost~~Project grant. – A project grant is available for ~~the a~~ portion of the
32 construction costs of a public water system project ~~that results in an estimated~~
33 ~~average household user fee for water and sewer service in the area served by the~~
34 ~~project that exceeds the high unit cost threshold as defined in G.S. 159G-32(c).~~
35 (3) ~~Technical assistance~~Merger/regionalization feasibility grant. – A ~~technical~~
36 ~~assistance~~merger/regionalization grant is available to determine the ~~best way to~~
37 ~~correct the deficiencies in a public water system that does not comply with State~~
38 ~~law or the rules adopted to implement that law.~~feasibility of consolidating the
39 management of multiple utilities into a single utility operation or to provide
40 regional water supply and the best way of carrying out the consolidation or
41 regionalization. The Department shall not make a loan or grant under this
42 subdivision for a merger or regionalization proposal that would result in a new
43 surface water transfer regulated under G.S. 143-215.22L.
44 (4) Asset inventory and assessment grant. – An asset inventory and assessment grant
45 is available to inventory the existing water and/or sewer system and document
46 the condition of the inventoried infrastructure.
47 (5) Emergency loan. – An emergency loan is available to an applicant in the event
48 the Secretary certifies that either a serious public health hazard or a drought
49 emergency related to the water supply system is present or imminent in a
50 community."

51 **SECTION 14.13.(h)** G.S. 159G-35 reads as rewritten:

1 **"§ 159G-35. Criteria for loans and grants.**

2 (a) CWSRF and DWSRF. – Federal law determines the criteria for awarding a loan or grant
3 from the CWSRF or the DWSRF. An award of a loan or grant from one of these accounts must
4 meet the criteria set under federal law. The Department is directed to establish through negotiation
5 with the United States Environmental Protection Agency the criteria for evaluating applications for
6 loans and grants from the CWSRF and the DWSRF and the priority assigned to the criteria. The
7 Department must incorporate the negotiated criteria and priorities in the Capitalization Grant
8 Operating Agreement between the Department and the United States Environmental Protection
9 Agency. The criteria and priorities incorporated in the Agreement apply to a loan or grant from the
10 CWSRF or the DWSRF. The ~~common criteria~~priority considerations in G.S. 159G-23 do not apply
11 to a loan or grant from the CWSRF or the DWSRF.

12 (b) Reserves. – The ~~common criteria~~priority considerations in G.S. 159G-23 apply to a loan
13 or grant from the Wastewater Reserve or the Drinking Water Reserve. The Department may
14 establish by rule other criteria that apply to a loan or grant from the Wastewater Reserve or the
15 Drinking Water Reserve."

16 **SECTION 14.13.(i)** G.S. 159G-36(c) reads as rewritten:

17 "(c) Reserve Recipient Limit. – The following limits apply to ~~a~~the loan or grant types made
18 from the Wastewater Reserve or the Drinking Water Reserve to the same local government unit or
19 nonprofit water corporation:

20 (1) The amount of loans awarded for a fiscal year may not exceed three million
21 dollars (\$3,000,000).

22 (2) The amount of loans awarded for three consecutive fiscal years for targeted
23 interest rate projects may not exceed three million dollars (\$3,000,000).

24 (3) The amount of ~~high unit cost~~project grants awarded for three consecutive fiscal
25 years may not exceed three million dollars (\$3,000,000).

26 (4) The amount of ~~technical assistance~~merger/regionalization feasibility grants
27 awarded for three consecutive fiscal years may not exceed fifty thousand dollars
28 (\$50,000).

29 (5) The amount of asset inventory and assessment grants awarded for three
30 consecutive fiscal years may not exceed one hundred fifty thousand dollars
31 (\$150,000)."

32 **SECTION 14.13.(j)** The Division of Water Infrastructure of the Department of
33 Environment and Natural Resources shall report to the Environmental Review Commission and the
34 Fiscal Research Division regarding its implementation of the relative affordability of projects
35 criteria for grants from the Wastewater Reserve or Drinking Water Reserve set forth in
36 G.S. 159G-23(9), as amended by subsection (c) of this section, within 30 days of the adoption of the
37 affordability criteria.
38
39

1 **Senate Version**

2 **WATER INFRASTRUCTURE AUTHORITY REVISIONS**

3 **SECTION 14.13.(a)** G.S. 159G-20(1) is recodified as G.S. 159G-20(1a), and
4 G.S. 159G-20(1a) is recodified as G.S. 159G-20(1c).

5 **SECTION 14.13.(b)** G.S. 159G-20, as amended by subsection (a) of this section, reads
6 as rewritten:

7 **"§ 159G-20. Definitions.**

8 The following definitions apply in this Chapter:

9 (1) Affordability. – The relative affordability of a project for a community compared
10 to other communities in North Carolina based on factors that shall include, at a
11 minimum, water and sewer service rates, median household income, poverty
12 rates, employment rates, the population of the served community, and past
13 expenditures by the community on water infrastructure compared to that
14 community's capacity for financing of water infrastructure improvements.

15 (1a) Asset management plan. – The strategic and systematic application of
16 management practices applied to the infrastructure assets of a local government
17 unit in order to minimize the total costs of acquiring, operating, maintaining,
18 improving, and replacing the assets while at the same time maximizing the
19 efficiency, reliability, and value of the assets.

20 (1b) Authority. – The State Water Infrastructure Authority created and established
21 pursuant to Article 5 of this Chapter.

22 ...

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

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

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

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

35 ...

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

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

38 b. A county.

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

40 d. A county water and sewer district created pursuant to Article 6 of Chapter
41 162A of the General Statutes.

42 e. A metropolitan sewerage district or a metropolitan water district created
43 pursuant to Article 4 of Chapter 162A of the General Statutes.

44 f. A water and sewer authority created under Article 1 of Chapter 162A of
45 the General Statutes.

46 g. A sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A
47 of the General Statutes.

48 h. A joint agency created pursuant to Part 1 of Article 20 of Chapter 160A
49 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.

- ...
- (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 14.13.(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~~environment,~~ 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.~~system.
- (2) Effect on impaired waters. – A project that improves designated impaired waters of the ~~State has priority.~~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.~~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~~set 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 14.13.(c1) 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 Reserve. An investor-owned drinking water corporation is also eligible to apply for a loan or grant from the DWSRF. Other entities are not eligible for a loan or grant from these accounts.

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

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

SECTION 14.13.(d) G.S. 159G-33(a)(4) is recodified as G.S. 159G-33(a)(5).

SECTION 14.13.(e) G.S. 159G-33(a), as amended by subsection (d) of this section, reads as rewritten:

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

- (1) ~~General.~~Loan. – A loan ~~or grant~~ is available for a project authorized in G.S. 159G-32(b).
- (2) ~~High unit cost~~Project grant. – A ~~high unit cost~~project grant is available for a portion of the ~~portion of the~~ construction costs of a wastewater collection system ~~project or project,~~ a wastewater treatment works ~~project that results in an estimated average household user fee for water and sewer service in the area served by the project that exceeds the high unit cost threshold.~~project, or a stormwater quality project as authorized in G.S. 159G-32(b).
- (3) ~~Technical assistance~~Merger/regionalization feasibility grant. – A ~~technical assistance~~merger/regionalization feasibility grant is available to determine the

best way to correct the deficiencies in a wastewater collection system or wastewater treatment works that either is not in compliance with its permit limits or, as identified in the most recent inspection report by the Department under G.S. 143-215.3, is experiencing operational problems and is at risk of violating its permit limits; feasibility of consolidating the management of multiple utilities into a single utility operation or to provide regional treatment and the best way of carrying out the consolidation or regionalization. The Department shall not make a loan or grant under this subdivision for a merger or regionalization proposal that would result in a new surface water transfer regulated under G.S. 143-215.22L.

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

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

SECTION 14.13.(f) G.S. 159G-34(a)(4) is recodified as G.S. 159G-34(a)(5).

SECTION 14.13.(g) G.S. 159G-34(a), as amended by subsection (f) of this section, reads as rewritten:

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

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

(2) ~~High unit cost~~ Project grant. – A project grant is available for ~~the a~~ portion of the construction costs of a public water system project ~~that results in an estimated average household user fee for water and sewer service in the area served by the project that exceeds the high unit cost threshold as defined in G.S. 159G-32(c).~~

(3) ~~Technical assistance~~ Merger/regionalization feasibility grant. – A ~~technical assistance~~ merger/regionalization grant is available to determine the ~~best way to correct the deficiencies in a public water system that does not comply with State law or the rules adopted to implement that law.~~ feasibility of consolidating the management of multiple utilities into a single utility operation or to provide regional water supply and the best way of carrying out the consolidation or regionalization. The Department shall not make a loan or grant under this subdivision for a merger or regionalization proposal that would result in a new surface water transfer regulated under G.S. 143-215.22L.

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

(5) Emergency loan. – An emergency loan is available to an applicant in the event the Secretary certifies that either a serious public health hazard or a drought emergency related to the water supply system is present or imminent in a community."

SECTION 14.13.(h) G.S. 159G-35 reads as rewritten:

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

(a) CWSRF and DWSRF. – Federal law determines the criteria for awarding a loan or grant from the CWSRF or the DWSRF. An award of a loan or grant from one of these accounts must meet the criteria set under federal law. The Department is directed to establish through negotiation with the United States Environmental Protection Agency the criteria for evaluating applications for

1 loans and grants from the CWSRF and the DWSRF and the priority assigned to the criteria. The
2 Department must incorporate the negotiated criteria and priorities in the Capitalization Grant
3 Operating Agreement between the Department and the United States Environmental Protection
4 Agency. The criteria and priorities incorporated in the Agreement apply to a loan or grant from the
5 CWSRF or the DWSRF. The ~~common criteria~~priority considerations in G.S. 159G-23 do not apply
6 to a loan or grant from the CWSRF or the DWSRF.

7 (b) Reserves. – The ~~common criteria~~priority considerations in G.S. 159G-23 apply to a loan
8 or grant from the Wastewater Reserve or the Drinking Water Reserve. The Department may
9 establish by rule other criteria that apply to a loan or grant from the Wastewater Reserve or the
10 Drinking Water Reserve."

11 **SECTION 14.13.(i)** G.S. 159G-36(c) reads as rewritten:

12 "(c) Reserve Recipient Limit. – The following limits apply to ~~a~~the loan or grant types made
13 from the Wastewater Reserve or the Drinking Water Reserve to the same local government unit or
14 nonprofit water corporation:

15 (1) The amount of loans awarded for a fiscal year may not exceed three million
16 dollars (\$3,000,000).

17 (2) The amount of loans awarded for three consecutive fiscal years for targeted
18 interest rate projects may not exceed three million dollars (\$3,000,000).

19 (3) The amount of ~~high unit cost~~project grants awarded for three consecutive fiscal
20 years may not exceed three million dollars (\$3,000,000).

21 (4) The amount of ~~technical assistance~~merger/regionalization feasibility grants
22 awarded for three consecutive fiscal years may not exceed fifty thousand dollars
23 (\$50,000).

24 (5) The amount of asset inventory and assessment grants awarded for three
25 consecutive fiscal years may not exceed one hundred fifty thousand dollars
26 (\$150,000)."

27 **SECTION 14.13.(j)** The Division of Water Infrastructure of the Department of
28 Environment and Natural Resources shall report to the Environmental Review Commission and the
29 Fiscal Research Division regarding its implementation of the relative affordability of projects
30 criteria for grants from the Wastewater Reserve or Drinking Water Reserve set forth in
31 G.S. 159G-23(9), as amended by subsection (c) of this section, within 30 days of the adoption of the
32 affordability criteria.
33
34

1
2 **Senate Only**

3 **ENCOURAGE INTERCONNECTION OF PUBLIC WATER SYSTEMS**

4 **SECTION 14.14A.(a)** G.S. 130A-317 is amended by adding a new subsection to read:

5 "(g) The Department shall identify systems meeting all of the following criteria:

6 (1) As constructed or altered, the system appears capable of interconnectivity with
7 another system or systems located within the same river basin, as set out in
8 G.S. 143-215.22.

9 (2) The system appears to have adequate unallocated capacity to expand.

10 (3) Interconnectivity would promote public health, protect the environment, or
11 ensure compliance with established drinking water rules.

12 The Department shall notify the identified systems of the potential for interconnectivity in the
13 future. The systems so notified may discuss options for potential interconnectivity, including joint
14 operations, regionalization, or merger. The Local Government Commission shall be copied on the
15 notice from the Department and shall assist the systems with any questions regarding liabilities of
16 the systems and alterations to the operational structure of the systems."

17 **SECTION 14.14A.(b)** The Commission for Public Health may adopt rules to
18 implement G.S. 130A-317, as amended by this section.
19

20 **Note: modified version of S547 (Interconnection of Public Water Systems, Senate**
21 **ANER Committee).**
22

1
2 **House Only**

3 **COAL ASH MANAGEMENT FUNDS**

4 **SECTION 14.15.** Notwithstanding G.S. 62-302.1(d), of the funds remaining in the Coal
5 Combustion Residuals Fund at the end of fiscal year 2014-2015, the sum of three hundred
6 ninety-seven thousand dollars (\$397,000) of the cash balance remaining on June 30, 2015, shall be
7 made available to reimburse the Department of Environment and Natural Resources on a quarterly
8 basis in fiscal year 2015-2016 to carry out the duties in Part 21 of Article 9 of Chapter 130A of the
9 General Statutes. The first quarter distribution shall be made no later than August 1, 2015, and
10 every three months thereafter. These funds are in addition to the one million seven hundred fifty
11 thousand dollars (\$1,750,000) appropriation to the Department from the Coal Combustion Residuals
12 Fund.
13

1
2 **Senate Only**

3 **PHASEOUT OF NONCOMMERCIAL LEAKING UST FUND**

4 **SECTION 14.16A.(a)** G.S. 143-215.94B(b) reads as rewritten:

5 "(b) The Commercial Fund shall be used for the payment of the following costs up to an
6 aggregate maximum of one million dollars (\$1,000,000) per occurrence resulting from a discharge
7 or release of a petroleum product from a commercial underground storage tank:

- 8 (1) For discharges or releases discovered or reported between 30 June 1988 and 31
9 December 1991 inclusive, the cleanup of environmental damage as required by
10 G.S. 143-215.94E(a) in excess of fifty thousand dollars (\$50,000) per occurrence.
11 (2) For discharges or releases discovered on or after 1 January 1992 and reported
12 between 1 January 1992 and 31 December 1993 inclusive, the cleanup of
13 environmental damage as required by G.S. 143-215.94E(a) in excess of twenty
14 thousand dollars (\$20,000) per occurrence.
15 (2a) For discharges or releases discovered and reported on or after 1 January 1994 and
16 prior to 1 January 1995, the cleanup of environmental damage as required by
17 G.S. 143-215.94E(a) in excess of twenty thousand dollars (\$20,000) if the owner
18 or operator (i) notifies the Department prior to 1 January 1994 of its intent to
19 permanently close the tank in accordance with applicable regulations or to
20 upgrade the tank to meet the requirements that existing underground storage
21 tanks must meet by 22 December 1998, (ii) commences closure or upgrade of the
22 tank prior to 1 July 1994, and (iii) completes closure or upgrade of the tank prior
23 to 1 January 1995.
24 (3) For discharges or releases reported on or after 1 January 1994, the cleanup of
25 environmental damage as required by G.S. 143-215.94E(a) in excess of twenty
26 thousand dollars (\$20,000) if, prior to the discharge or release, the commercial
27 underground storage tank from which the discharge or release occurred met the
28 performance standards applicable to tanks installed after 22 December 1988 or
29 met the requirements that existing underground storage tanks must meet by 22
30 December 1998.
31 (4) For discharges or releases reported on or after 1 January 1994 from a commercial
32 underground storage tank that does not qualify under subdivision (2a) of this
33 subsection or does not meet the standards in subdivision (3) of this subsection,
34 sixty percent (60%) of the costs per occurrence of the cleanup of environmental
35 damage as required by G.S. 143-215.94E(a) that exceeds twenty thousand dollars
36 (\$20,000) but is not more than one hundred fifty-seven thousand five hundred
37 dollars (\$157,500) and one hundred percent (100%) of the costs above this
38 amount, up to the limits established in this section.
39 (5) Compensation to third parties for bodily injury and property damage in excess of
40 one hundred thousand dollars (\$100,000) per occurrence.
41 (6) Reimbursing the State for damages or other costs incurred as a result of a loan
42 from the Loan Fund. The per occurrence limit does not apply to reimbursements
43 to the State under this subdivision.
44 (7) Recordation of residual petroleum as required by G.S. 143B-279.11 if the
45 Commercial Fund is responsible for the payment of costs under subdivisions (1)
46 through (4) of this subsection.
47 (8) The costs of a site investigation required by the Department for the purpose of
48 determining whether a release from a tank system has occurred, whether or not
49 the investigation confirms that a release has occurred. This subdivision shall not

be construed to allow reimbursement for costs of investigations that are part of routine leak detection procedures required by statute or rule.

- (9) If the owner or operator cannot be identified or fails to proceed with the cleanup.
- (10) That was taken out of operation prior to 1 January 1974 if, at the time the discharge or release is discovered, neither the owner or operator owns or leases the lands on which the tank is located.
- (11) Where the owner of the commercial underground storage tank is the owner only as a result of owning the land on which the commercial underground storage tank is located, the owner did not know or have reason to know that the underground storage tank was located on the property, and the land was not transferred to the owner to avoid liability for the commercial underground storage tank.
- (12) Compensation to third parties for bodily injury and property damage in excess of one hundred thousand dollars (\$100,000) per occurrence caused by releases from noncommercial underground storage tanks reported to the Department prior to August 1, 2015, if the claim for compensation is made prior to July 1, 2016."

SECTION 14.16A.(b) G.S. 143-215.94D reads as rewritten:

"§ 143-215.94D. Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund.

(a) There is established under the control and direction of the Department the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund. This Noncommercial Fund shall be a nonreverting revolving fund consisting of any monies appropriated for such purpose by the General Assembly or available to it from grants, or other monies paid to it or recovered on behalf of the Noncommercial Fund.

(b) The Noncommercial Fund shall be used for the payment of the costs set out in subsection (b1) of this section, up to an aggregate maximum of one million dollars (\$1,000,000) per occurrence resulting from a discharge or release of a petroleum product reported to the Department prior to August 1, 2015, from:

- (1) Noncommercial underground storage tanks if the discharge or release meets the minimum priority criteria for corrective action established by the Department.
- ~~(2) Commercial underground storage tanks if the owner or operator cannot be identified or fails to proceed with the cleanup.~~
- ~~(3) Commercial underground storage tanks that were taken out of operation prior to 1 January 1974 if, at the time the discharge or release is discovered, neither the owner or operator owns or leases the lands on which the tank is located.~~
- ~~(4) Commercial underground storage tanks if the owner of the commercial underground storage tank is the owner only as a result of owning the land on which the commercial underground storage tank is located, the owner did not know or have reason to know that the underground storage tank was located on the property, and the land was not transferred to the owner to avoid liability for the commercial underground storage tank.~~

(b1) The Noncommercial Fund shall be used for the payment of the ~~costs of~~ following costs, provided a claim for compensation is made prior to July 1, 2016:

- (1) For releases discovered or reported to the Department prior to August 1, 2013, the cleanup of environmental damage as required by G.S. 143-215.94E(a).
- (1a) For releases ~~discovered or~~ reported to the Department on or after August 1, 2013, August 1, 2013, and prior to August 1, 2015, the cleanup of environmental damage as required by G.S.143-215.94E(a) in excess of two thousand dollars (\$2,000) or the sum of the following amounts, whichever is less:
 - a. A deductible of one thousand dollars (\$1,000) per occurrence.
 - b. A co-payment equal to ten percent (10%) of the costs of the cleanup of environmental damage, per occurrence.

- 1 ~~(2) Compensation to third parties for bodily injury and property damage in excess of~~
2 ~~one hundred thousand dollars (\$100,000) per occurrence.~~
- 3 (3) Reimbursing the State for damages or other costs incurred as a result of a loan
4 from the Loan Fund. The per occurrence limit does not apply to reimbursements
5 to the State under this subdivision.
- 6 (4) Recordation of residual petroleum as required by G.S. 143B-279.11 if the
7 Noncommercial Fund is responsible for the payment of costs under subdivisions
8 (1) through (3) of this subsection and subsection (b) of this section.

9 (b2) The Noncommercial Fund may be used by the Department for the payment of costs
10 necessary to render harmless any noncommercial underground storage tank from which a discharge
11 or release has not occurred but which poses an imminent hazard to the environment if the owner or
12 operator cannot be identified or located, or if the owner or operator fails to take action to render
13 harmless the underground storage tank within 90 days after having been notified of the imminent
14 hazard posed by the underground storage tank. The Secretary shall seek to recover the costs of the
15 action from the owner or operator as provided in G.S. 143-215.94G.

16 (b3) For purposes of subsection (b1) of this section, the cleanup of environmental damage
17 includes connection of a third party to a public water system if the Department determines that
18 connection of the third party to a public water system is a cost-effective measure, when compared to
19 other available measures, to reduce risk to human health or the environment. A payment or
20 reimbursement under this subsection is subject to the requirements and limitations of this section.
21 This subsection shall not be construed to limit any right or remedy available to a third party under
22 any other provision of law. This subsection shall not be construed to require a third party to connect
23 to a public water system. Except as provided by this subsection, connection to a public water system
24 does not constitute cleanup under Part 2 of this Article, G.S. 143-215.94E, G.S. 143-215.94V, any
25 other applicable statute, or at common law.

26 (b4) The Noncommercial Fund shall pay any claim made after 1 September 2001 for
27 compensation to third parties pursuant to subdivision (2) of subsection (b1) of this section only if
28 the owner, operator, or other party responsible for the discharge or release has complied with the
29 requirements of G.S. 143B-279.9 and G.S. 143B-279.11, unless compliance is prohibited by another
30 provision of law.

31 (c) The Noncommercial Fund is to be available on an occurrence basis, without regard to
32 number of occurrences associated with tanks owned or operated by the same owner or operator.

33 (d) The Noncommercial Fund shall not be used for:

- 34 (1) Costs incurred as a result of a discharge or release from an aboveground tank,
35 aboveground pipe or fitting not connected to an underground storage tank, or
36 vehicle.
- 37 (2) The removal or replacement of any tank, pipe, fitting or related equipment.
- 38 (3) Costs incurred as a result of a discharge or release of petroleum from a
39 transmission pipeline.
- 40 (4) Costs intended to be paid for by the Commercial Fund.
- 41 (5) Costs associated with the administration of any underground storage tank
42 program other than the program administered pursuant to this Part.
- 43 (6) Costs paid or reimbursed by or from any source other than the Noncommercial
44 Fund, including, but not limited to, any payment or reimbursement made under a
45 contract of insurance.
- 46 (7) Costs incurred as a result of the cleanup of environmental damage to
47 groundwater to a more protective standard than the risk-based standard required
48 by the Department unless the cleanup of environmental damage to groundwater
49 to a more protective standard is necessary to resolve a claim for compensation by
50 a third party for property damage.
- 51 (8) Costs in excess of those required to achieve the most cost-effective cleanup.

(e) The Noncommercial Fund shall be treated as a special trust fund pursuant to G.S. 147-69.2 and G.S. 147-69.3, except that interest and other income received on the Fund balance shall be treated as set forth in G.S. 147-69.1(d).

(f) Expired October 1, 2011, pursuant to Session Laws 2001-442, s. 8, as amended by Session Laws 2008-195, s. 11.

(g) The Noncommercial Fund may be used to support the administrative functions of the program for underground storage tanks under this Part and Part 2B of this Article up to the amounts allowed by law, which amounts may be changed from time to time. In the case of a legislated increase or decrease in salaries and benefits, the administrative allowance existing at the time of the increase or decrease shall be correspondingly increased or decreased an amount equal to the legislated increase or decrease in salaries and benefits.

(h) During each fiscal year, the Department shall use up to one hundred thousand (\$100,000) of the funds in the Noncommercial Fund to fund necessary assessment and cleanup to be conducted by the Department of discharges or releases for which a responsible party has been identified but for which the responsible party can demonstrate that undertaking the costs of assessment and cleanup will impose a severe financial hardship. Any portion of the \$100,000 designated each fiscal year, which is not used during that fiscal year to address situations of severe financial hardship, shall revert to the Noncommercial Fund for the uses otherwise provided by this section. The Commission shall adopt rules to define severe financial hardship; establish criteria for assistance due to severe financial hardship pursuant to this section; and establish a process for evaluation and determinations of eligibility with respect to applications for assistance due to severe financial hardship. The Commission shall create a subcommittee of the Commission's Committee on Civil Penalty Remissions as established by G.S. 143B-282.1 to render determinations of eligibility under this subsection."

SECTION 14.16A.(c) G.S. 143-215.94N(b) reads as rewritten:

"(b) ~~The Except as otherwise specified in this Part, the~~ provisions of this Part as they relate to costs paid from the Noncommercial Fund apply to discharges or releases without regard to the date discovered or reported; however, reimbursement of costs under G.S. 143-215.94G(d)(1), (2), (3), (3a), and (4) shall be for the full amount of the costs paid for from the Noncommercial Fund and shall not be limited pursuant to G.S. 143-215.94E(b) for discharges or releases from commercial underground storage tanks discovered or reported on or before 30 June 1988."

SECTION 14.16A.(d) G.S. 143-215.94A(6), 143-215.94B(d)(4), 143-215.94D, and 143-215.94N(b) are repealed.

SECTION 14.16A.(e) G.S. 143-215.94E reads as rewritten:

"§ 143-215.94E. Rights and obligations of the owner or operator.

...

(b1) In the case of a discharge or release from a commercial underground storage tank where the owner and operator cannot be identified or located, or where the owner and operator fail to proceed as required by subsection (a) of this section, the following requirements apply:

(1) ~~if~~ If the current landowner of the land in which the commercial underground storage tank is located notifies the Department in accordance with G.S. 143-215.85 and undertakes to collect and remove the discharge or release and to restore the area affected in accordance with the requirements of this Article and applicable federal and State laws, regulations, and rules, the current landowner may elect to have the Commercial Fund pay or reimburse the current landowner for any costs described in subdivisions (1), (2), (2a), (3), and (4) of G.S. 143-215.94B(b) or G.S. 143-215.94B(b1) that exceed the amounts for which the owner or operator is responsible under that subsection.

a. The current landowner is not eligible for payment or reimbursement until the current landowner has paid the costs described in subdivisions (1),

(2), (2a), (3), and (4) of G.S. 143-215.94B(b) or G.S. 143-215.94B(b1) for which the owner or operator is responsible.

b. Eligibility for reimbursement under this subsection may be transferred from a current landowner who has paid the costs described in subdivisions (1), (2), (2a), (3), and (4) of G.S. 143-215.94B(b) or G.S. 143-215.94B(b1) to a subsequent landowner.

The current landowner shall submit documentation of all expenditures as required by G.S. 143-215.94G(b).

(2) The sum of payments from the Commercial Fund and from all other sources shall not exceed one million dollars (\$1,000,000) per discharge or release except as provided in G.S. 143-215.94B(b2).

(3) This subsection shall not be construed to require a current landowner to cleanup a discharge or release of petroleum from an underground storage tank for which the current landowner is not otherwise responsible. This subsection does not alter any right, duty, obligation, or liability of a current landowner, former landowner, subsequent landowner, owner, or operator under other provisions of law.

(4) This subsection shall not be construed to limit the authority of the Department to engage in a cleanup under this Article or any other provision of law. In the event that an owner or operator is subsequently identified or located, the Secretary shall seek reimbursement as provided in G.S. 143-215.94G(d). ~~The current landowner shall submit documentation of all expenditures as required by G.S. 143-215.94G(b).~~

~~(e) In the case of a discharge or release from a noncommercial underground storage tank or a commercial underground storage tank eligible for the Noncommercial Fund in accordance with G.S. 143-215.94D(b), where the owner or operator has been identified and has proceeded with the cleanup, the owner or operator may elect to have the Noncommercial Fund pay or reimburse the owner or operator for any costs described in G.S. 143-215.94D(b1) up to a maximum of one million dollars (\$1,000,000) per discharge or release.~~

~~(e1) In the case of a discharge or release from a noncommercial underground storage tank where the owner and operator cannot be identified or located, or where the owner and operator fail to proceed as required by subsection (a) of this section, if the current landowner of the land in which the noncommercial underground storage tank is located notifies the Department in accordance with G.S. 143-215.85 and undertakes to collect and remove the discharge or release and to restore the area affected in accordance with the requirements of this Article and applicable federal and State laws, regulations, and rules, the current landowner may elect to have the Noncommercial Fund pay or reimburse the current landowner for any costs described in G.S. 143-215.94D(b1). Eligibility for reimbursement under this subsection may be transferred to a subsequent landowner from a current landowner. The sum of payments from the Noncommercial Fund and from all other sources shall not exceed one million dollars (\$1,000,000) per discharge or release. This subsection shall not be construed to require a current landowner to clean up a discharge or release of petroleum from an underground storage tank for which the current landowner is not otherwise responsible. This subsection does not alter any right, duty, obligation, or liability of a current landowner, former landowner, subsequent landowner, owner, or operator under other provisions of law. This subsection shall not be construed to limit the authority of the Department to engage in a cleanup under this Article or any other provision of law. The current landowner shall submit documentation of all expenditures as required by G.S. 143-215.94G(b).~~

...

(e1) The Department may contract for any services necessary to evaluate any claim for reimbursement or compensation from ~~either the Commercial Fund or the Noncommercial Fund~~, may contract for any expert witness or consultant services necessary to defend any decision to pay or deny any claim for reimbursement, and may pay the cost of these services from the fund against

1 which the claim is made; provided that in any fiscal year the Department shall not expend from
2 either fund more than one percent (1%) of the unobligated balance of the fund on 30 June of the
3 previous fiscal year. The cost of contractual services to evaluate a claim or for expert witness or
4 consultant services to defend a decision with respect to a claim shall be included as costs under
5 G.S. 143-215.94B(b), 143-215.94B(b1), and 143-215.94D(b1).

6 ...

7 (e4) (1) If the owner or operator takes initial steps to collect and remove the discharge or
8 release as required by the Department and completes the initial assessment
9 required to determine degree of risk, the owner or operator shall not be subject to
10 any violation or penalty for any failure to proceed with further assessment or
11 cleanup under G.S. 143-215.84 or this section before the owner or operator is
12 authorized to proceed with further assessment or cleanup as provided in
13 subsection (e5) of this section. The lack of availability of funds in the
14 Commercial Fund ~~or the Noncommercial Fund~~ shall not relieve an owner or
15 operator of responsibility to immediately undertake to collect and remove the
16 discharge or release or to conduct any assessment or cleanup ordered by the
17 Department or be a defense against any violations and penalties issued to the
18 owner or operator for failure to conduct required assessment or cleanup.

19 (2) The Department shall establish the degree of risk to human health and the
20 environment posed by a discharge or release of petroleum from a commercial
21 underground storage tank and shall determine a schedule for further assessment
22 and cleanup that is based on the degree of risk to human health and the
23 environment posed by the discharge or release and that gives priority to the
24 assessment and cleanup of discharges and releases that pose the greatest risk. If
25 any of the costs of assessment and cleanup of the discharge or release from a
26 commercial underground storage tank are eligible to be paid or reimbursed from
27 the Commercial Fund, the Department shall also consider the availability of
28 funds in the Commercial Fund and the order in which the discharge or release
29 was reported in determining the schedule.

30 ~~(3) The Department shall establish the degree of risk to human health and the~~
31 ~~environment posed by a discharge or release of petroleum from a noncommercial~~
32 ~~underground storage tank and shall determine a schedule for further assessment~~
33 ~~and cleanup that is based on the degree of risk to human health and the~~
34 ~~environment posed by the discharge or release and that gives priority to the~~
35 ~~assessment and cleanup of discharges and releases that pose the greatest risk. If~~
36 ~~any of the costs of assessment or cleanup of the discharge or release from a~~
37 ~~noncommercial underground storage tank are eligible to be paid or reimbursed~~
38 ~~from the Noncommercial Fund, the Department shall also consider the~~
39 ~~availability of funds in the Noncommercial Fund and the order in which the~~
40 ~~discharge or release was reported in determining the schedule.~~

41 (4) The Department may revise the schedules that apply to the assessment and
42 cleanup of any discharge or release at any time based on its reassessment of any
43 of the foregoing factors.

44 ...

45 (f1) Any person seeking payment or reimbursement from ~~either~~ the Commercial Fund ~~or the~~
46 ~~Noncommercial Fund~~ shall certify to the Department that the costs to be paid or reimbursed by the
47 Commercial Fund ~~or the Noncommercial Fund~~ are not eligible to be paid or reimbursed by or from
48 any other source, including any contract of insurance. If any cost paid or reimbursed by the
49 Commercial Fund ~~or the Noncommercial Fund~~ is eligible to be paid or reimbursed by or from
50 another source, that cost shall not be paid from, or if paid shall be repaid to, the Commercial Fund

1 | ~~or the Noncommercial~~ Fund. As used in this Part, the phrase "any other source including any
2 | contract of insurance" does not include self-insurance.

3 | ...

4 | (j) An owner, operator, or landowner shall request that the Department determine whether
5 | any of the costs of assessment and cleanup of a discharge or release from a petroleum underground
6 | storage tank are eligible to be paid or reimbursed from either the Commercial Fund ~~or the~~
7 | ~~Noncommercial Fund~~ within one year after completion of any task that is eligible to be paid or
8 | reimbursed under G.S. 143-215.94B(b), 143-215.94B(b1), or 143-215.94D(b1).

9 | (k) An owner, operator, or landowner shall request payment or reimbursement from the
10 | Commercial Fund ~~or the Noncommercial Fund~~ for the cost of a task within one year after the
11 | completion of the task. The Department shall deny any request for payment or reimbursement of the
12 | cost of any task that would otherwise be eligible to be paid or reimbursed if the request is not
13 | received within 12 months after the later of the date on which the:

14 | (1) Department determines that the cost is eligible to be paid or reimbursed.

15 | (2) Task is completed."

16 | **SECTION 14.16A.(f)** G.S. 143-215.94G reads as rewritten:

17 | **"§ 143-215.94G. Authority of the Department to engage in cleanups; actions for fund**
18 | **reimbursement.**

19 | (a) The Department may use staff, equipment, or materials under its control or provided by
20 | other cooperating federal, State, or local agencies and may contract with any agent or contractor it
21 | deems appropriate to investigate a release, to develop and implement a cleanup plan, to provide
22 | interim alternative sources of drinking water to third parties, and to pay the initial costs for
23 | providing permanent alternative sources of drinking water to third parties, and shall pay the costs
24 | resulting ~~from commercial underground storage tanks~~ from the Commercial Fund ~~and shall pay the~~
25 | ~~costs resulting from noncommercial underground storage tanks from the Noncommercial~~
26 | ~~Fund,Fund~~ whenever there is a discharge or release of petroleum from any of the following:

27 | (1) A noncommercial underground storage tank.

28 | (2) An underground storage tank whose owner or operator cannot be identified or
29 | located.

30 | (3) An underground storage tank whose owner or operator fails to proceed as
31 | required by G.S. 143-215.94E(a).

32 | (4) A commercial underground storage tank taken out of operation prior to 1 January
33 | 1974 if, when the discharge or release is discovered, neither the owner nor
34 | operator owns or leases the land on which the underground storage tank is
35 | located.

36 | (a1) Every State agency shall provide to the Department to the maximum extent feasible such
37 | staff, equipment, and materials as may be available and useful to the development and
38 | implementation of a cleanup program.

39 | (a2) The cost of any action authorized under subsection (a) of this section shall be paid, to the
40 | extent funds are available, from the following sources in the order listed:

41 | (1) Any funds to which the State is entitled under any federal program providing for
42 | the cleanup of petroleum discharges or releases from underground storage tanks,
43 | including, but not limited to, the Leaking Underground Storage Tank Trust Fund
44 | established pursuant to 26 U.S.C. § 4081 and 42 U.S.C. § 6991b(h).

45 | (2) The Commercial ~~Fund or the Noncommercial~~ Fund.

46 | (a3) Expired October 1, 2011, pursuant to Session Laws 2001-442, s. 8, as amended by
47 | Session Laws 2008-195, s. 11.

48 | (b) Whenever the discharge or release of a petroleum product is from a commercial
49 | underground storage tank, the Department may supervise the cleanup of environmental damage
50 | required by G.S. 143-215.94E(a). If the owner or operator elects to have the Commercial Fund
51 | reimburse or pay for any costs allowed under subsection (b) or (b1) of G.S. 143-215.94B, the

1 Department shall require the owner or operator to submit documentation of all expenditures claimed
2 for the purposes of establishing that the owner or operator has spent the amounts required to be paid
3 by the owner or operator pursuant to and in accordance with G.S. 143-215.94E(b). The Department
4 shall allow credit for all expenditures that the Department determines to be reasonable and
5 necessary. The Department may not pay for any costs for which the Commercial Fund was
6 established until the owner or operator has paid the amounts specified in G.S. 143-215.94E(b).

7 (c) The Secretary shall keep a record of all expenses incurred for the services of State
8 personnel and for the use of the State's equipment and material.

9 (d) The Secretary shall seek reimbursement through any legal means available, for:

10 (1) Any costs not authorized to be paid from ~~either the Commercial or the~~
11 ~~Noncommercial~~ Fund;

12 (2) The amounts provided for in G.S. 143-215.94B(b) or G.S. 143-215.94B(b1)
13 required to be paid for by the owner or operator pursuant to G.S. 143-215.94E(b)
14 where the owner or operator of a commercial underground storage tank is later
15 identified or located;

16 (3) The amounts provided for in G.S. 143-215.94B(b) or G.S. 143-215.94B(b1)
17 required to be paid for by the owner or operator pursuant to G.S. 143-215.94E(b)
18 where the owner or operator of a commercial underground storage tank failed to
19 proceed as required by G.S. 143-215.94E(a);

20 (3a) The amounts provided for by G.S. 143-215.94B(b)(5) required to be paid by the
21 owner or operator to third parties for the cost of providing interim alternative
22 sources of drinking water to third parties and the initial cost of providing
23 permanent alternative sources of drinking water to third parties;

24 (4) Any funds due under G.S. 143-215.94E(g); and

25 (5) Any funds to which the State is entitled under any federal program providing for
26 the cleanup of petroleum discharges or releases from underground storage tanks;
27 [and]

28 (6) The amounts provided for in G.S. 143-215.94B(b5) and G.S. 143-215.94D(b2).

29 (e) In the event that a civil action is commenced to secure reimbursement pursuant to
30 subdivisions (1) through (4) of subsection (d) of this section, the Secretary may recover, in addition
31 to any amount due, the costs of the action, including but not limited to reasonable attorney's fees
32 and investigation expenses. Any monies received or recovered as reimbursement shall be paid into
33 the appropriate fund or other source from which the expenditures were made.

34 ~~(f) In the event that a recovery equal to or in excess of the amounts required to be paid for~~
35 ~~by the owner or operator pursuant to G.S. 143-215.94E(b) is recovered pursuant to subdivisions (2)~~
36 ~~and (3) of subsection (d) of this section for the costs described in G.S. 143-215.94B(b) or~~
37 ~~G.S. 143-215.94B(b1), the Department shall transfer funds from the Commercial Fund that would~~
38 ~~have been paid from the Commercial Fund pursuant to subsection (b) or (b2) of G.S. 143-215.94B~~
39 ~~if the owner or operator had proceeded with the cleanup, but which were paid from the~~
40 ~~Noncommercial Fund, into the Noncommercial Fund.~~

41 (g) If the Department paid or reimbursed costs that are not authorized to be paid or
42 reimbursed under G.S. 143-215.94B or G.S. 143-215.94D as a result of a misrepresentation by an
43 agent who acted on behalf of an owner, operator, or landowner, the Department shall first seek
44 reimbursement, pursuant to subdivision (1) of subsection (d) of this section, from the agent of
45 monies paid to or retained by the agent.

46 (h) The Department shall take administrative action to recover costs or bring a civil action
47 pursuant to subdivision (1) of subsection (d) of this section to seek reimbursement of costs in
48 accordance with the time limits set out in this subsection.

49 (1) The Department shall take administrative action to recover costs or bring a civil
50 action to seek reimbursement of costs that are not authorized to be paid from the
51 Commercial Fund under subdivision (1), (2), or (3) of G.S. 143-215.94B(d) ~~or~~

~~from the Noncommercial Fund under subdivision (1), (2), or (3) of G.S. 143-215.94D(d)~~ within five years after payment.

(2) The Department shall take administrative action to recover costs or bring a civil action to seek reimbursement of costs other than those described in subdivision (1) of this subsection within three years after payment.

(3) Notwithstanding the time limits set out in subdivisions (1) and (2) of this subsection, the Department may take administrative action to recover costs or bring a civil action to seek reimbursement of costs paid as a result of fraud or misrepresentation at any time.

(i) An administrative action or civil action that is not commenced within the time allowed by subsection (h) of this section is barred.

(j) Except with the consent of the claimant, the Department may not withhold payment or reimbursement of costs that are authorized to be paid from the Commercial Fund ~~or the Noncommercial Fund~~ in order to recover any other costs that are in dispute unless the Department is authorized to withhold payment by a final decision of the Commission pursuant to G.S. 150B-36 or an order or final decision of a court."

SECTION 14.16A.(g) G.S. 143-215.94J reads as rewritten:

"§ 143-215.94J. Limitation of liability of the State of North Carolina.

(a) No claim filed against ~~either the Commercial Fund or the Noncommercial Fund~~ shall be paid except from assets of the respective fund as provided for in this Part or as may otherwise be authorized by law.

(b) This Part shall not be construed to obligate the General Assembly to make any appropriation to implement the provisions of this Part; nor shall it be construed to obligate the Secretary to take any action pursuant to this Part for which funds are not available from appropriations or otherwise.

(c) The Secretary may budget anticipated receipts as needed to implement this Part.

~~(d) Should the Secretary find that the Noncommercial Fund balance is insufficient to satisfy all claims and other obligations of the Noncommercial Fund incurred pursuant to this Part, the Secretary may transfer funds which would otherwise revert to the General Fund to the Noncommercial Fund in order to meet such claims and obligations.~~

(e) If at any time ~~either the~~ fund balance is insufficient to pay all valid claims against it, the claims shall be paid in full in the order in which they are finally determined. The Secretary may retain not more than five hundred thousand dollars (\$500,000) in the ~~Noncommercial-Commercial~~ Fund as a contingency reserve and not apply the reserve to the claims. The Department may use the contingency reserve to conduct cleanups in accordance with G.S. 143-215.94G when an imminent hazard poses a threat to human health or to significant natural resources."

SECTION 14.16A.(h) G.S. 143-215.94M reads as rewritten:

"§ 143-215.94M. Reports.

(a) The Secretary shall present an annual report to the Environmental Review Commission, the Fiscal Research Division, the Senate Appropriations Subcommittee on Natural and Economic Resources, and the House Appropriations Subcommittee on Natural and Economic Resources which shall include at least the following:

(1) A list of all discharges or releases of petroleum from underground storage tanks.

~~(2) A list of all cleanups requiring State funding through the Noncommercial Fund and a comprehensive budget to complete such cleanups.~~

(3) A list of all cleanups undertaken by tank owners or operators and the status of these cleanups.

(4) A statement of receipts and disbursements for ~~both the Commercial Fund and the Noncommercial~~ Fund.

- 1 | (5) A statement of all claims against ~~both—the Commercial Fund—and the~~
2 | ~~Noncommercial~~ Fund, including claims paid, claims denied, pending claims,
3 | anticipated claims, and any other obligations.
- 4 | (6) The adequacy of ~~both—the Commercial Fund and the Noncommercial Fund—to~~
5 | carry out the purposes of this Part together with any recommendations as to
6 | measures that may be necessary to assure the continued solvency of the
7 | Commercial ~~Fund and the Noncommercial~~ Fund.
- 8 | (7) Repealed by Session Laws 2012-200, s. 23, effective August 1, 2012.
- 9 | (b) The report required by this section shall be made by the Secretary on or before
10 | November 1 of each year."

11 | **SECTION 14.16A.(i)** Subsections (d) through (h) of this section become effective
12 | December 31, 2016. The balance remaining in the Noncommercial Leaking Petroleum Underground
13 | Storage Tank Cleanup Fund and any outstanding requests for payment or reimbursement that have
14 | been deemed eligible by the Department prior to that date are transferred to the Commercial
15 | Leaking Petroleum Underground Storage Tank Cleanup Fund. The Revisor of Statutes may
16 | conform names and titles changed by this section, and may correct statutory references as required
17 | by this section, throughout the General Statutes. In making the changes authorized by this section,
18 | the Revisor may also adjust subject and verb agreement and the placement of conjunctions.
19 |

1
2 **House Only**

3 **WATER AND WASTEWATER INFRASTRUCTURE GRANTS**

4 **SECTION 14.17.** Of the nonrecurring funds appropriated by this act for State water and
5 wastewater grants, the sum of five million dollars (\$5,000,000) for the 2015-2016 fiscal year shall
6 be used for projects in development tier one counties under the prioritization criteria set forth in
7 applicable law, and the remaining five million dollars (\$5,000,000) shall be used to provide a grant
8 to a municipality located in a development tier two county where the municipality (i) has a
9 population less than 12,000 and (ii) has previously received a loan during the 2013 calendar year
10 under the Drinking Water State Revolving Fund to replace water distribution lines serving 5,000 or
11 fewer customers that have exceeded their useful life as evidenced by tuberculation, breaks, and
12 leaks.
13

1
2 **House Only**

3 **MILITARY BUFFERS**

4 **SECTION 14.18.(a)** The funds appropriated in this act to the Clean Water Management
5 Trust Fund for the purpose of military buffers shall only be expended on land that buffers a military
6 facility from incompatible use encroachment.

7 **SECTION 14.18.(b)** For purposes of this section, "military facility" means a major
8 military installation or training area identified in the report prepared by the Office of Land & Water
9 Stewardship entitled "North Carolina Military Installation, Training Area, and Mission Protection
10 Land Use Framework: Phase I" (December 2014 version).
11

House and Senate Differ

House Version

ENVIRONMENTAL ASSESSMENT TESTING

SECTION 14.19.(a) G.S. 143-215.94B is amended by adding a new subsection to read:

"(j) In order to be eligible for reimbursement from the Commercial Fund for testing associated with soil and groundwater assessment, the owner, operator, landowner, or a representative of the owner, operator, or landowner must have submitted a contamination assessment plan and cost estimate to the Department for authorization prior to beginning assessment activities. The Department shall not authorize any assessment activity unless the least-cost method is proposed for the assessment activity."

SECTION 14.19.(b) G.S. 143-215.94D is amended by adding a new subsection to read:

"(i) In order to be eligible for reimbursement from the Noncommercial Fund for testing associated with soil and groundwater assessment, the owner, operator, landowner, or a representative of the owner, operator, or landowner must have submitted a contamination assessment plan and cost estimate to the Department for authorization prior to beginning assessment activities. The Department shall not authorize any assessment activity unless the least-cost method is proposed for the assessment activity."

SECTION 14.19.(c) The Department of Environment and Natural Resources shall develop an informal dispute resolution process that allows an owner, operator, or landowner eligible for reimbursement (including a representative of an owner, operator, or landowner) to work with the Department to resolve least-cost methodology disputes arising in the contamination assessment plan approval process. The process shall include all of the following:

- (1) Utilization of best practice benchmarks for assessment methodologies.
- (2) A written procedure that is available on the Department's Web site and upon request to an owner, operator, landowner, or representative.

SECTION 14.19.(d) The Department of Environment and Natural Resources shall review and revise its procedures for reimbursement of soil and groundwater assessment and, in particular, whether the rate tables and the Department's procedures for compiling and updating the tables facilitate the use of the most cost-effective methods for soil and groundwater assessment. The Department shall report its findings and recommendations, including any proposed legislation, to the Environmental Review Commission no later than May 1, 2016.

Senate Version

ENVIRONMENTAL ASSESSMENT METHODOLOGY

SECTION 14.19. The Department of Environment and Natural Resources shall review and revise its procedures and rate tables for reimbursement of soil assessment activities in order to facilitate the use of the Ultra Violet Fluorescence (UVF) test method as a substitute for US EPA Method 8015 for soil assessment and petroleum contamination delineation activities, where the substitution would (i) not violate federal law or regulations, (ii) provide equivalent accuracy and quality of results, and (iii) result in appreciable cost savings.

1
2 **Senate Only**

3 **LANDFILL CHANGES**

4 **SECTION 14.20.(a)** G.S. 130A-294 reads as rewritten:

5 **"§ 130A-294. Solid waste management program.**

6 (a) The Department is authorized and directed to engage in research, conduct investigations
7 and surveys, make inspections and establish a statewide solid waste management program. In
8 establishing a program, the Department shall have authority to:

9 ...

- 10 (4) a. Develop a permit system governing the establishment and operation of
11 solid waste management facilities. A landfill with a disposal area of 1/2
12 acre or less for the on-site disposal of land clearing and inert debris is
13 exempt from the permit requirement of this section and shall be governed
14 by G.S. 130A-301.1. Demolition debris from the decommissioning of
15 manufacturing buildings, including electric generating stations, that is
16 disposed of on the same site as the decommissioned buildings, is exempt
17 from the permit requirement of this section and rules adopted pursuant to
18 this section and shall be governed by G.S. 130A-301.3. The Department
19 shall not approve an application for a new permit, the renewal of a permit,
20 major permit modification, or a substantial amendment to a permit for a
21 sanitary landfill, excluding demolition landfills as defined in the rules of
22 the Commission, except as provided in subdivisions (3) and (4) of
23 subsection (b1) of this section. No permit shall be granted for a solid
24 waste management facility having discharges that are point sources until
25 the Department has referred the complete plans and specifications to the
26 Commission and has received advice in writing that the plans and
27 specifications are approved in accordance with the provisions of
28 G.S. 143-215.1. In any case where the Department denies a permit for a
29 solid waste management facility, it shall state in writing the reason for
30 denial and shall also state its estimate of the changes in the applicant's
31 proposed activities or plans that will be required for the applicant to
32 obtain a permit.

33 ...

34 (a2) Permits for sanitary landfills and transfer stations shall be issued for ~~(i) a design and~~
35 ~~operation phase of five years or (ii) a design and operation phase of 10 years. A permit issued for a~~
36 ~~design and operation phase of 10 years shall be subject to a limited review within five years of the~~
37 ~~issuance date, the life-of-site of the facility unless revoked as otherwise provided under this Article~~
38 ~~or upon the expiration of any local government franchise required for the facility pursuant to~~
39 ~~subsection (b1) of this section. For purposes of this section, "life-of-site" means the period from the~~
40 ~~initial receipt of solid waste at the facility until the Department approves final closure of the facility.~~
41 ~~Permits issued pursuant to this subsection shall take into account the duration of any permits~~
42 ~~previously issued for the facility and the remaining capacity at the facility.~~

43 (a3) Each permit for a sanitary landfill and transfer station shall have a limited review of the
44 permit five years after issuance of the initial permit and at five-year intervals thereafter until
45 expiration of the permit. The limited review includes review of the operational activities at the
46 facility for the preceding time period, as well as future operational plans, financial assurance cost
47 estimates, environmental monitoring plans, closure plans, post-closure plans, and any other
48 applicable plans for the facility. Whenever such review is undertaken, the Department may modify
49 the permit to include additional limitations, standards, or conditions when the technical limitations,
50 standards, or conditions on which the original permit was based have been changed by statute or

1 rule. If, upon such review, the Department finds that repeated material or substantial violations at
2 the sanitary landfill render operation of the facility a danger to human health, safety, and welfare, or
3 the environment, the Department shall modify or revoke the permit. Parties aggrieved by a final
4 decision of the Department pursuant to this subsection may appeal the decision as provided under
5 Article 3 of Chapter 150B of the General Statutes.

6 (b) The Commission shall adopt and the Department shall enforce rules to implement a
7 comprehensive statewide solid waste management program. The rules shall be consistent with
8 applicable State and federal law; and shall be designed to protect the public health, safety, and
9 welfare; preserve the environment; and provide for the greatest possible conservation of cultural and
10 natural resources. Rules for the establishment, location, operation, maintenance, use,
11 discontinuance, recordation, post-closure care of solid waste management facilities also shall be
12 based upon recognized public health practices and procedures, including applicable epidemiological
13 research and studies; hydrogeological research and studies; sanitary engineering research and
14 studies; and current technological development in equipment and methods. The rules shall not apply
15 to the management of solid waste that is generated by an individual or individual family or
16 household unit on the individual's property and is disposed of on the individual's property.

17 (b1) (1) For purposes of this subsection and subdivision (4) of subsection (a) of this
18 section, a "substantial amendment" means either:

19 a. An increase of ten percent (10%) or more in:

- 20 1. The population of the geographic area to be served by the sanitary
21 landfill;
- 22 2. The quantity of solid waste to be disposed of in the sanitary
23 landfill; or
- 24 3. The geographic area to be served by the sanitary landfill.

25 b. A change in the categories of solid waste to be disposed of in the sanitary
26 landfill or any other change to the application for a permit or to the permit
27 for a sanitary landfill that the Commission or the Department determines
28 to be substantial.

29 (2) A person who intends to apply for a new permit, ~~the renewal of a permit, major~~
30 ~~permit modification,~~ or a substantial amendment to a permit for a sanitary landfill
31 shall obtain, prior to applying for a permit, a franchise for the operation of the
32 sanitary landfill from each local government having jurisdiction over any part of
33 the land on which the sanitary landfill and its appurtenances are located or to be
34 located. A local government may adopt a franchise ordinance under
35 G.S. 153A-136 or G.S. 160A-319. A franchise granted for a sanitary landfill shall
36 ~~be granted for the life-of-site of the landfill and shall~~ include all of the following:

- 37 a. A statement of the population to be served, including a description of the
38 geographic area.
- 39 b. A description of the volume and characteristics of the waste stream.
- 40 c. A projection of the useful life of the sanitary landfill.
- 41 d. Repealed by Session Laws 2013-409, s. 8, effective August 23, 2013.
- 42 e. The procedures to be followed for governmental oversight and regulation
43 of the fees and rates to be charged by facilities subject to the franchise for
44 waste generated in the jurisdiction of the franchising entity.
- 45 f. A facility plan for the sanitary landfill that shall include the boundaries of
46 the proposed facility, proposed development of the facility ~~site in~~
47 ~~five-year operational phases, site,~~ the boundaries of all waste disposal
48 units, final elevations and capacity of all waste disposal units, the amount
49 of waste to be received per day in tons, the total waste disposal capacity
50 of the sanitary landfill in tons, a description of environmental controls,
51 and a description of any other waste management activities to be

1 conducted at the facility. In addition, the facility plan shall show the
2 proposed location of soil borrow areas, leachate facilities, and all other
3 facilities and infrastructure, including ingress and egress to the facility.

4 ...

- 5 (4) An applicant for a new permit, ~~the renewal of a permit, major permit~~
6 modification, or a substantial amendment to a permit for a sanitary landfill shall
7 request each local government having jurisdiction over any part of the land on
8 which the sanitary landfill and its appurtenances are located or to be located to
9 issue a determination as to whether the local government has in effect a
10 franchise, zoning, subdivision, or land-use planning ordinance applicable to the
11 sanitary landfill and whether the proposed sanitary landfill, or the existing
12 sanitary landfill as it would be operated under the ~~renewed or major permit~~
13 modification or substantially amended permit, would be consistent with the
14 applicable ordinances. The request to the local government shall be accompanied
15 by a copy of the permit application and shall be delivered to the clerk of the local
16 government personally or by certified mail. In order to serve as a basis for a
17 determination that an application for a new permit, ~~the renewal of a permit, major~~
18 permit modification, or a substantial amendment to a permit for a sanitary landfill
19 is consistent with a zoning, subdivision, or land-use planning ordinance, an
20 ordinance or zoning classification applicable to the real property designated in
21 the permit application shall have been in effect not less than 90 days prior to the
22 date the request for a determination of consistency is delivered to the clerk of the
23 local government. The determination shall be verified or supported by affidavit
24 signed by the chief administrative officer, the chief administrative officer's
25 designee, clerk, or other official designated by the local government to make the
26 determination and, if the local government states that the sanitary landfill as it
27 would be operated under the ~~new, renewed, new permit, major permit~~
28 modification, or substantially amended permit is inconsistent with a franchise,
29 zoning, subdivision, or land-use planning ordinance, shall include a copy of the
30 ordinance and the specific reasons for the determination of inconsistency. A copy
31 of the determination shall be provided to the applicant when the determination is
32 submitted to the Department. The Department shall not act upon an application
33 for a permit under this section until it has received a determination from each
34 local government requested to make a determination by the applicant; provided
35 that if a local government fails to submit a determination to the Department as
36 provided by this subsection within 15 days after receipt of the request, the
37 Department shall proceed to consider the permit application without regard to a
38 franchise, local zoning, subdivision, and land-use planning ordinances. Unless
39 the local government makes a subsequent determination of consistency with all
40 ordinances cited in the determination or the sanitary landfill as it would be
41 operated under the ~~new, renewed, new permit, major permit modification~~, or
42 substantially amended permit is determined by a court of competent jurisdiction
43 to be consistent with the cited ordinances, the Department shall attach as a
44 condition of the permit a requirement that the applicant, prior to construction or
45 operation of the sanitary landfill under the permit, comply with all lawfully
46 adopted local ordinances cited in the determination that apply to the sanitary
47 landfill. This subsection shall not be construed to affect the validity of any
48 lawfully adopted franchise, local zoning, subdivision, or land-use planning
49 ordinance or to affect the responsibility of any person to comply with any
50 lawfully adopted franchise, local zoning, subdivision, or land-use planning
51 ordinance. This subsection shall not be construed to limit any opportunity a local

1 government may have to comment on a permit application under any other law or
2 rule. This subsection shall not apply to any facility with respect to which local
3 ordinances are subject to review under either G.S. 104E-6.2 or G.S. 130A-293.

- 4 (5) As used in this subdivision, "coal-fired generating unit" and "investor-owned
5 public utility" have the same meaning as in G.S. 143-215.107D(a).
6 Notwithstanding subdivisions (a)(4), (b1)(3), or (b1)(4) of this section, no
7 franchise shall be required for a sanitary landfill used only to dispose of waste
8 generated by a coal-fired generating unit that is owned or operated by an
9 investor-owned utility subject to the requirements of G.S. 143-215.107D.

10"

11 **SECTION 14.20.(b)** No later than July 1, 2016, the Environmental Management
12 Commission shall adopt rules to allow applicants for permits for sanitary landfills to apply for a
13 permit for the life-of-site of the facility. No later than July 1, 2016, the Commission shall also adopt
14 rules to allow applicants for permits for transfer stations to apply for a permit to construct and
15 operate a transfer station for the life-of-site of the station.

16 **SECTION 14.20.(c)** G.S. 130A-295.8 reads as rewritten:

17 **"§ 130A-295.8. Fees applicable to permits for solid waste management facilities.**

18 (a) The Solid Waste Management Account is established as a nonreverting account within
19 the Department. All fees collected under this section shall be credited to the Account and shall be
20 used to support the solid waste management program established pursuant to G.S. 130A-294.

21 (b) As used in this section:

22 (1) "Major permit modification" means either of the following:

- 23 a. ~~an~~ An application for any change to the approved engineering plans for a
24 sanitary landfill or transfer station permitted for ~~a 10 year life-of-site~~
25 design capacity that does not constitute a "permit amendment," "new
26 permit," or "permit modification."
27 b. An application for a permit to be issued pursuant to G.S. 130A-294(a2),
28 which is issued for a duration of less than a facility's life-of-site based
29 upon permits previously issued to a facility.

30 (1a) "New permit" means any of the following:

- 31 a. An application for a permit for a solid waste management facility that has
32 not been previously permitted by the Department. The term includes one
33 site suitability review, the initial permit to construct, and one permit to
34 operate the constructed portion of a phase included in the permit to
35 construct-operate.
36 b. An application that proposes to expand the boundary of a permitted waste
37 management facility for the purpose of expanding the permitted activity.
38 c. An application that includes a proposed expansion to the boundary of a
39 waste disposal unit within a permitted solid waste management facility.
40 d. An application for a substantial amendment to a solid waste permit, as
41 defined in G.S. 130A-294.

42 (2) "Permit amendment" means any of the following:

- 43 a. ~~An application for a permit to construct and one permit to operate for the~~
44 ~~second and subsequent phases of landfill development described in the~~
45 ~~approved facility plan for a permitted solid waste management facility.~~
46 b. An application for the five-year renewal of a permit for a permitted solid
47 waste management facility or for a permit review of a permitted solid
48 waste management facility. This sub-subdivision shall not apply to
49 sanitary landfills or transfer stations.

- 1 c. Any application that proposes a change in ownership or corporate
2 structure of a permitted solid waste management facility. This
3 sub-subdivision shall not apply to sanitary landfills or transfer stations.
- 4 (3) "Permit modification" means any of the following:
- 5 a. An application for any change to the plans approved in a permit for a
6 solid waste management facility that does not constitute a "permit
7 amendment" or a "new permit". This sub-subdivision shall not apply to
8 sanitary landfills or transfer stations.
- 9 b. ~~A second or subsequent permit to operate for a constructed portion of a~~
10 ~~phase included in the permit to construct.~~
- 11 c. An application for a five-year limited review of a ~~40 year life-of-site~~
12 permit, as required by ~~G.S. 130A-294(a2), G.S. 130A-294(a3),~~ including
13 review of the ~~operations plan, operational activities at the facility for the~~
14 ~~preceding time period, as well as future operational plans,~~ closure ~~plan,~~
15 ~~plans,~~ post-closure ~~plan,~~ ~~plans,~~ financial assurance cost estimates,
16 environmental monitoring plans, and any other applicable plans for the
17 facility.
- 18 (4) "Ownership modification" means any application that proposes a change in
19 ownership or corporate structure of a permitted sanitary landfill or transfer
20 station.
- 21 (e) ~~An applicant for a permit shall pay an application fee upon submission of an application~~
22 ~~according to the following schedule:~~
- 23 (1) ~~Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid~~
24 ~~waste, New Permit (Five Year) —\$25,000.~~
- 25 (1a) ~~Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid~~
26 ~~waste, New Permit (Ten Year) —\$38,500.~~
- 27 (2) ~~Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid~~
28 ~~waste, Amendment (Five Year) —\$15,000.~~
- 29 (2a) ~~Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid~~
30 ~~waste, Amendment (Ten Year) —\$28,500.~~
- 31 (3) ~~Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid~~
32 ~~waste, Modification (Five Year) —\$1,500.~~
- 33 (3a) ~~Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid~~
34 ~~waste, Major Modification (Ten Year) —\$7,500.~~
- 35 (4) ~~Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid~~
36 ~~waste, New Permit (Five Year) —\$50,000.~~
- 37 (4a) ~~Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid~~
38 ~~waste, New Permit (Ten Year) —\$77,000.~~
- 39 (5) ~~Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid~~
40 ~~waste, Amendment (Five Year) —\$30,000.~~
- 41 (5a) ~~Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid~~
42 ~~waste, Amendment (Ten Year) —\$57,000.~~
- 43 (6) ~~Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid~~
44 ~~waste, Modification (Five Year) —\$3,000.~~
- 45 (6a) ~~Municipal Solid Waste Landfill accepting 100,000 tons/year or more of solid~~
46 ~~waste, Major Modification (Ten Year) —\$15,000.~~
- 47 (7) ~~Construction and Demolition Landfill accepting less than 100,000 tons/year of~~
48 ~~solid waste, New Permit (Five Year) —\$15,000.~~
- 49 (7a) ~~Construction and Demolition Landfill accepting less than 100,000 tons/year of~~
50 ~~solid waste, New Permit (Ten Year) —\$22,500.~~

- (8) ~~Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Five Year) —\$9,000.~~
- (8a) ~~Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Ten Year) —\$16,500.~~
- (9) ~~Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, Modification (Five Year) —\$1,500.~~
- (9a) ~~Construction and Demolition Landfill accepting less than 100,000 tons/year of solid waste, Major Modification (Ten Year) —\$4,500.~~
- (10) ~~Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Five Year) —\$30,000.~~
- (10a) ~~Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Ten Year) —\$46,000.~~
- (11) ~~Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Five Year) —\$18,500.~~
- (11a) ~~Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Ten Year) —\$34,500.~~
- (12) ~~Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, Modification (Five Year) —\$2,500.~~
- (12a) ~~Construction and Demolition Landfill accepting 100,000 tons/year or more of solid waste, Major Modification (Ten Year) —\$9,250.~~
- (13) ~~Industrial Landfill accepting less than 100,000 tons/year of solid waste, New Permit (Five Year) —\$15,000.~~
- (13a) ~~Industrial Landfill accepting less than 100,000 tons/year of solid waste, New Permit (Ten Year) —\$22,500.~~
- (14) ~~Industrial Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Five Year) —\$9,000.~~
- (14a) ~~Industrial Landfill accepting less than 100,000 tons/year of solid waste, Amendment (Ten Year) —\$16,500.~~
- (15) ~~Industrial Landfill accepting less than 100,000 tons/year of solid waste, Modification (Five Year) —\$1,500.~~
- (15a) ~~Industrial Landfill accepting less than 100,000 tons/year of solid waste, Major Modification (Ten Year) —\$4,500.~~
- (16) ~~Industrial Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Five Year) —\$30,000.~~
- (16a) ~~Industrial Landfill accepting 100,000 tons/year or more of solid waste, New Permit (Ten Year) —\$46,000.~~
- (17) ~~Industrial Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Five Year) —\$18,500.~~
- (17a) ~~Industrial Landfill accepting 100,000 tons/year or more of solid waste, Amendment (Ten Year) —\$34,500.~~
- (18) ~~Industrial Landfill accepting 100,000 tons/year or more of solid waste, Modification (Five Year) —\$2,500.~~
- (18a) ~~Industrial Landfill accepting 100,000 tons/year or more of solid waste, Major Modification (Ten Year) —\$9,250.~~
- (19) ~~Tire Monofill, New Permit —\$1,750.~~
- (19a) ~~Tire Monofill, New Permit (Ten Year) —\$2,500.~~
- (20) ~~Tire Monofill, Amendment —\$1,250.~~
- (20A) ~~Tire Monofill, Amendment (Ten Year) —\$2,000.~~
- (21) ~~Tire Monofill, Modification —\$500.~~
- (21A) ~~Tire Monofill, Major Modification —\$625.~~
- (22) ~~Treatment and Processing, New Permit —\$1,750.~~

- (23) ~~Treatment and Processing, Amendment—\$1,250.~~
- (24) ~~Treatment and Processing, Modification—\$500.~~
- (25) ~~Transfer Station, New Permit (Five Year)—\$5,000.~~
- (25a) ~~Transfer Station, New Permit (Ten Year)—\$7,500.~~
- (26) ~~Transfer Station, Amendment (Five Year)—\$3,000.~~
- (26a) ~~Transfer Station, Amendment (Ten Year)—\$5,500.~~
- (27) ~~Transfer Station, Modification (Five Year)—\$500.~~
- (27a) ~~Transfer Station, Major Modification (Ten Year)—\$1,500.~~
- (28) ~~Incinerator, New Permit—\$1,750.~~
- (29) ~~Incinerator, Amendment—\$1,250.~~
- (30) ~~Incinerator, Modification—\$500.~~
- (31) ~~Large Compost Facility, New Permit—\$1,750.~~
- (32) ~~Large Compost Facility, Amendment—\$1,250.~~
- (33) ~~Large Compost Facility, Modification—\$500.~~
- (34) ~~Land Clearing and Inert, New Permit—\$1,000.~~
- (35) ~~Land Clearing and Inert, Amendment—\$500.~~
- (36) ~~Land Clearing and Inert, Modification—\$250.~~
- (d) ~~A permitted solid waste management facility shall pay an annual permit fee on or before August 1 of each year according to the following schedule:~~
- (1) ~~Municipal Solid Waste Landfill—\$3,500.~~
- (2) ~~Post Closure Municipal Solid Waste Landfill—\$1,000.~~
- (3) ~~Construction and Demolition Landfill—\$2,750.~~
- (4) ~~Post Closure Construction and Demolition Landfill—\$500.~~
- (5) ~~Industrial Landfill—\$2,750.~~
- (6) ~~Post Closure Industrial Landfill—\$500.~~
- (7) ~~Transfer Station—\$750.~~
- (8) ~~Treatment and Processing Facility—\$500.~~
- (9) ~~Tire Monofill—\$500.~~
- (10) ~~Incinerator—\$500.~~
- (11) ~~Large Compost Facility—\$500.~~
- (12) ~~Land Clearing and Inert Debris Landfill—\$500.~~
- (d1) ~~A permitted solid waste management facility shall pay an annual permit fee on or before August 1 of each year according to the following schedule:~~
- (1) ~~Municipal Solid Waste Landfill accepting less than 100,000 tons/year of solid waste – \$7,500.~~
- (2) ~~Municipal Solid Waste Landfill accepting 100,000 tons/year or more but less than 250,000 tons/year of solid waste – \$12,000.~~
- (3) ~~Municipal Solid Waste Landfill accepting 250,000 tons/year or more of solid waste – \$20,000.~~
- (4) ~~Post-Closure Municipal Solid Waste Landfill – \$1,000.~~
- (5) ~~Construction and Demolition Landfill accepting less than 25,000 tons/year of solid waste – \$6,000.~~
- (6) ~~Construction and Demolition Landfill accepting 25,000 tons/year or more of solid waste – \$9,250.~~
- (7) ~~Post-Closure Construction and Demolition Landfill – \$500.~~
- (8) ~~Industrial Landfill accepting less than 100,000 tons/year of solid waste – \$7,500.~~
- (9) ~~Industrial Landfill accepting 100,000 tons/year or more of solid waste – \$15,000.~~
- (10) ~~Post-Closure Industrial Landfill – \$500.~~
- (11) ~~Transfer Station accepting less than 25,000 tons/year of solid waste – \$750.~~
- (12) ~~Transfer Station accepting 25,000 tons/year or more of solid waste – \$1,500.~~
- (13) ~~Treatment and Processing Facility – \$750.~~

(14) Tire Monofill – \$6,000.
(15) Incinerator – \$750.
(16) Large Compost Facility – \$750.
(17) Land Clearing and Inert Debris Landfill – \$750.
(d2) Upon submission of an application for a new permit, an applicant shall pay an application fee in the amount of ten percent (10%) of the annual permit fee imposed for that type of solid waste management facility as identified in subdivisions (1) through (17) of subsection (d1) of this section.

...."

SECTION 14.20.(d) G.S. 130A-295.3 reads as rewritten:
"§ 130A-295.3. Environmental compliance review requirements for applicants and permit holders.

...

(b) The Department shall conduct an environmental compliance review of each applicant for a new ~~permit, permit renewal, permit~~ and permit amendment under this Article. The environmental compliance review shall evaluate the environmental compliance history of the applicant for a period of five years prior to the date of the application and may cover a longer period at the discretion of the Department. The environmental compliance review of an applicant may include consideration of the environmental compliance history of the parents, subsidiaries, or other affiliates of an applicant or parent that is a business entity, including any business entity or joint venturer with a direct or indirect interest in the applicant, and other facilities owned or operated by any of them. The Department shall determine the scope of the review of the environmental compliance history of the applicant, parents, subsidiaries, or other affiliates of the applicant or parent, including any business entity or joint venturer with a direct or indirect interest in the applicant, and of other facilities owned or operated by any of them. An applicant for a permit shall provide environmental compliance history information for each facility, business entity, joint venture, or other undertaking in which any of the persons listed in this subsection is or has been an owner, operator, officer, director, manager, member, or partner, or in which any of the persons listed in this subsection has had a direct or indirect interest as requested by the Department.

...."

SECTION 14.20.(e) This section becomes effective August 1, 2015. G.S. 130A-294(b1)(2), as amended by subsection (a) of this section, applies to franchise agreements executed on or after August 1, 2015. The remainder of G.S. 130A-294, as amended by subsection (a) of this section, and G.S. 130A-295.8, as amended by subsection (c) of this section, apply to (i) existing sanitary landfills and transfer stations, with a valid permit issued before the date this act becomes effective, when that permit is next subject to renewal after July 1, 2016, and (ii) new sanitary landfills and transfer stations, for applications submitted on or after July 1, 2016.

Note: modified version (new fee structure) of provision in H576 (Amend Env. Laws, House Finance Committee).

1
2 **Senate Only**

3 **ENVIRONMENTAL REVIEW COMMISSION STUDIES**

4 **SECTION 14.21.(a)** The Environmental Review Commission shall convene a
5 stakeholder working group to study local government authority over solid waste management
6 matters, including (i) the authority to enact ordinances concerning collection and processing of solid
7 waste generated within their jurisdictions, as well as their authority to charge fees for such services;
8 (ii) an examination of costs to local governments for providing solid waste collection and
9 processing services to citizens; (iii) whether efficiencies and cost reductions could be realized
10 through privatization of such services, and what impacts might result from privatization, including
11 any bearing on local government financing of currently sited solid waste management facilities; and
12 (iv) any other issue the Commission deems relevant. In the conduct of this study, the Commission
13 shall consult with representatives of the League of Municipalities, the Association of County
14 Commissioners, the Local Government Commission, faculty from the School of Government at the
15 University of North Carolina at Chapel Hill, as well as private waste management interests, at a
16 minimum. The Division of Waste Management and the Division of Environmental Assistance and
17 Customer Service of the Department of Environment and Natural Resources shall provide any
18 information and personnel requested by the Commission in the conduct of a study required by this
19 section.

20 **SECTION 14.21.(b)** The Environmental Review Commission shall study the use of
21 new technologies and strategies, including the use of integrated and mobile aerosolization systems,
22 to dewater leachate and other forms of wastewater for the purpose of reducing the burden and cost
23 of disposal at the site where it is generated. The Commission shall determine the efficiency,
24 cost-effectiveness, and environmental impact of each studied technology and strategy. The Division
25 of Waste Management and the Division of Water Resources of the Department of Environment and
26 Natural Resources shall provide any information and personnel requested by the Commission in the
27 conduct of a study required by this section.
28

1
2 **Senate Only**

3 **PRE-1983 LANDFILL CLEANUP PRIVATIZATION**

4 **SECTION 14.22.(a)** Legislative Findings. – The General Assembly makes the
5 following findings:

- 6 (1) Section 5 of Article XIV of the North Carolina Constitution sets out the
7 conservation and protection of State lands and waters as a policy of the State, and
8 a more expeditious method for remediation and reuse of pre-1983 landfill sites
9 and other State-identified contaminated sites is in furtherance of that policy.
10 (2) Despite past legislative directives, a dedicated source of revenue, and a
11 considerable fund balance, little progress has been made in active cleanup of
12 these landfill sites.
13 (3) Qualified private firms should be given the opportunity to remediate pre-1983
14 landfills and other State-identified contamination sites.
15 (4) Implementation of a site assessment and remediation program based on requests
16 for proposal from private firms for the 10 highest-priority pre-1983 landfill sites
17 will result in multiple benefits to the State, including (i) reducing known
18 environmental hazards that are associated with the many identified sites across
19 the State, (ii) decreasing the State's economic liability for these sites, (iii)
20 promoting economic growth through the job creation associated with returning
21 these sites to beneficial and productive use, and (iv) establishing an efficient,
22 cost-effective model for other State projects.

23 **SECTION 14.22.(b)** G.S. 130A-310.6 is amended by adding a new subsection to read:

24 "(h) The Department shall implement an ongoing program that provides for the expeditious
25 assessment and, where indicated as necessary based on assessment and other data, the conduct of
26 site remediation by qualified private entities at no less than 10 of the pre-1983 landfill sites that
27 have been identified by the Department as being among the 100 sites rated highest in priority under
28 subsection (c) of this section. The program shall include the following activities to be undertaken by
29 the Department:

- 30 (1) Contract via issuance of a Request for Proposal with one or more qualified
31 private entities who have prequalified under procedures established by the
32 Department for (i) remaining assessment and contamination delineation activities
33 necessary to identify those sites within the 100 highest-priority sites where
34 completion of site remediation will yield maximum health, safety, and economic
35 benefits based on an evaluation of potential beneficial and productive use of the
36 site, impact of the unremediated site on uses of surrounding property, and other
37 pertinent factors and (ii) remediation of the selected sites utilizing private sector
38 best practices for maximizing efficacy and cost-effectiveness of the remedial
39 alternative selected.
40 (2) Develop requirements for full-time monitoring of project sites to ensure that
41 remedial activities are conducted in a safe and environmentally protective
42 manner and performed to a health-based, predetermined risk standard based on
43 the proposed subsequent use of the properties."

44 **SECTION 14.22.(c)** G.S. 143-64.34 reads as rewritten:

45 **"§ 143-64.34. Exemption of certain projects.**

46 (a) State capital improvement projects under the jurisdiction of the State Building
47 Commission, capital improvement projects of The University of North Carolina, and community
48 college capital improvement projects, where the estimated expenditure of public money is less than
49 five hundred thousand dollars (\$500,000), are exempt from the provisions of this Article.

1 | [\(b\) Pre-1983 landfill sites remediated pursuant to G.S. 130A-310.6 are exempt from the](#)
2 | [provisions of this Article.](#)"

3 | **SECTION 14.22.(d)** The Department of Environment and Natural Resources shall seek
4 | United States Environmental Protection Agency approval for implementation of all elements of the
5 | program required by this section. On or before December 31, 2015, the Department shall develop
6 | and submit any Memoranda of Agreement, delineations of programmatic responsibility, procedure
7 | for coordination, and other information that the United States Environmental Protection Agency
8 | may require in order to effectuate the elements of the program required by this section.

9 | **SECTION 14.22.(e)** If approval for implementation of all elements of the program
10 | required by this section is received by the United States Environmental Protection Agency, the
11 | Department of Environment and Natural Resources shall issue the Request for Proposal required by
12 | G.S. 130A-310.6(h), as enacted by subsection (b) of this section, no later than 60 days of receipt of
13 | that approval.

14 | **SECTION 14.22.(f)** The Department shall review and evaluate other states'
15 | requirements, programs, and policies for remediation of sites similar to those classified as "pre-1983
16 | landfills" as defined by the State with a focus on other states that may have implemented
17 | requirements, programs, and policies that are resulting in safe remediation of such sites and that are
18 | performed in a more cost-effective and expeditious manner than that performed in North Carolina
19 | under traditional remediation requirements, programs, and policies and report its findings, including
20 | recommendations for further legislative action, to the chairs of the House of Representatives
21 | Appropriations Committee on Agriculture and Natural and Economic Resources, the Senate
22 | Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division
23 | prior to May 15, 2016.

24 |
25 | **Note: heavily modified version of H748 (Establish Contam. Source**
26 | **Removal/Disposal Bd., House Rules).**
27 |

1
2 **Senate Only**

3 **COMPENSATORY MITIGATION REQUIREMENTS**

4 **SECTION 14.23.(a)** The Department of Environment and Natural Resources, Division
5 of Mitigation Services, shall develop a program to increase the State's ability to utilize private
6 mitigation banks to satisfy compensatory mitigation requirements of the State. The program shall
7 include all of the following components:

- 8 (1) Thirty months after the effective date of this act, the Division of Mitigation
9 Services shall cease acceptance of fees for governmental and nongovernmental
10 entities in lieu of mitigation for stream, wetland, riparian buffer, and nutrient
11 impacts permitted to occur in the Neuse, Cape Fear, and Tar-Pamlico River
12 Basins.
- 13 (2) The Department, with the concurrence of the Environmental Management
14 Commission (Commission), may cease acceptance of fees in lieu of mitigation
15 within additional river basins after June 30, 2018, provided the public is notified
16 at least 24 months in advance of the cessation of service.
- 17 (3) In the event of unforeseen, unique, or exigent circumstances and upon the request
18 of the Secretary of Commerce or the Secretary of Transportation, the Department
19 may direct the Division of Mitigation Services to accept fees in lieu of mitigation
20 to support permits for projects owned or sponsored by those Departments.
- 21 (4) The Division of Mitigation Services shall continue to provide watershed planning
22 statewide under a fee structure set by the Commission.
- 23 (5) The Division of Mitigation Services will manage the inventory and utilization of
24 all existing mitigation credits held by the North Carolina Department of
25 Transportation and shall also oversee and direct the future acquisition of
26 mitigation credits by that Department.

27 **SECTION 14.23.(b)** No later than October 1, 2015, the Commission shall adopt
28 temporary rules consistent with this subsection. The temporary rules shall remain in effect until
29 permanent rules that replace the temporary rules become effective.
30

1
2 **Senate Only**

3 **PETITION FOR WETLANDS MITIGATION FLEXIBILITY**

4 **SECTION 14.24.(a)** No later than October 1, 2015, the Department of Environment
5 and Natural Resources shall petition the Wilmington District, the South Atlantic District, and the
6 Headquarters of the United States Army Corps of Engineers (the Corps Offices) to allow for greater
7 flexibility and opportunity to perform wetlands mitigation outside of the eight-digit Hydrologic Unit
8 Code (HUC) where development will occur. The Department shall seek this greater flexibility and
9 opportunity for mitigation for both public and private development. The Department shall request
10 that the Corps Offices review the flexibility and opportunities for mitigation allowed by other
11 Districts of the United States Army Corps of Engineers, both within the South Atlantic District and
12 nationwide.

13 **SECTION 14.24.(b)** The Department shall report on its progress in petitioning the
14 Corps Offices as required by subsection (a) of this section to the Environmental Review
15 Commission, the chairs of the Senate Appropriations Committee on Natural and Economic
16 Resources and the House Appropriations Committee on Agriculture and Natural and Economic
17 Resources, and the Fiscal Research Division no later than January 1, 2016.
18

1
2 **Senate Only**

3 **SECTION 404 PERMITTING PROGRAM DELEGATION**

4 **SECTION 14.25.** The funds appropriated in this act for Section 404 Program
5 delegation application shall be used by the Department of Environment and Natural Resources to
6 issue a Request for Proposal for a consultant to plan and prepare an application for the assumption
7 by the State of administration of the Section 404 permitting program under the Federal Water
8 Pollution Control Act for North Carolina from the United States Army Corps of Engineers (Corps).
9

Senate Only (modified version of provisions in S453-Senate Reg. Reform)

REPEAL SEDIMENTATION CONTROL COMMISSION AND TRANSFER RESPONSIBILITIES TO THE ENVIRONMENTAL MANAGEMENT COMMISSION AND REFORM CIVIL PENALTIES UNDER THE SEDIMENTATION POLLUTION CONTROL ACT

SECTION 14.26.(a) Part 8 of Article 7 of Chapter 143B of the General Statutes is repealed.

SECTION 14.26.(b) G.S. 113A-52(2) reads as rewritten:

"(2) "Commission" means the ~~North Carolina Sedimentation Control~~Environmental Management Commission."

SECTION 14.26.(c) G.S. 113A-54.1(c) reads as rewritten:

"§ 113A-54.1. Approval of erosion control plans.

...

(c) The Commission shall disapprove an erosion and sedimentation control plan if implementation of the plan would result in a violation of rules adopted by the ~~Environmental Management~~ Commission to protect riparian buffers along surface waters. The Director of the Division of Energy, Mineral, and Land Resources may disapprove an erosion and sedimentation control plan or disapprove a transfer of a plan under subsection (d1) of this section upon finding that an applicant or a parent, subsidiary, or other affiliate of the applicant:

- (1) Is conducting or has conducted land-disturbing activity without an approved plan, or has received notice of violation of a plan previously approved by the Commission or a local government pursuant to this Article and has not complied with the notice within the time specified in the notice;
- (2) Has failed to pay a civil penalty assessed pursuant to this Article or a local ordinance adopted pursuant to this Article by the time the payment is due;
- (3) Has been convicted of a misdemeanor pursuant to G.S. 113A-64(b) or any criminal provision of a local ordinance adopted pursuant to this Article; or
- (4) Has failed to substantially comply with State rules or local ordinances and regulations adopted pursuant to this Article."

SECTION 14.26.(d) G.S. 113A-57(1) reads as rewritten:

"§ 113A-57. Mandatory standards for land-disturbing activity.

No land-disturbing activity subject to this Article shall be undertaken except in accordance with the following mandatory requirements:

- (1) No land-disturbing activity during periods of construction or improvement to land shall be permitted in proximity to a lake or natural watercourse unless a buffer zone is provided along the margin of the watercourse of sufficient width to confine visible siltation within the twenty-five percent (25%) of the buffer zone nearest the land-disturbing activity. Waters that have been classified as trout waters by the ~~Environmental Management~~ Commission shall have an undisturbed buffer zone 25 feet wide or of sufficient width to confine visible siltation within the twenty-five percent (25%) of the buffer zone nearest the land-disturbing activity, whichever is greater. Provided, however, that the ~~Sedimentation Control~~ Commission may approve plans which include land-disturbing activity along trout waters when the duration of said disturbance would be temporary and the extent of said disturbance would be minimal. This subdivision shall not apply to a land-disturbing activity in connection with the construction of facilities to be located on, over, or under a lake or natural watercourse."

SECTION 14.26.(e) G.S. 113A-61(b1) reads as rewritten:

"(b1) A local government shall condition approval of a draft erosion and sedimentation control plan upon the applicant's compliance with federal and State water quality laws, regulations, and rules. A local government shall disapprove an erosion and sedimentation control plan if implementation of the plan would result in a violation of rules adopted by the ~~Environmental Management~~ Commission to protect riparian buffers along surface waters. A local government may disapprove an erosion and sedimentation control plan or disapprove a transfer of a plan under subsection (b3) of this section upon finding that an applicant or a parent, subsidiary, or other affiliate of the applicant:

- (1) Is conducting or has conducted land-disturbing activity without an approved plan, or has received notice of violation of a plan previously approved by the Commission or a local government pursuant to this Article and has not complied with the notice within the time specified in the notice.
- (2) Has failed to pay a civil penalty assessed pursuant to this Article or a local ordinance adopted pursuant to this Article by the time the payment is due.
- (3) Has been convicted of a misdemeanor pursuant to G.S. 113A-64(b) or any criminal provision of a local ordinance adopted pursuant to this Article.
- (4) Has failed to substantially comply with State rules or local ordinances and regulations adopted pursuant to this Article."

SECTION 14.26.(f) G.S. 113A-125(c) reads as rewritten:

"(c) Within the meaning of this section, "existing regulatory permits" include dredge and fill permits issued pursuant to G.S. 113-229; sand dune permits issued pursuant to G.S. 104B-4; air pollution control and water pollution control permits, special orders or certificates issued pursuant to G.S. 143-215.1 and 143-215.2, or any other permits, licenses, authorizations, approvals or certificates issued by the Board of Water and Air Resources pursuant to Chapter 143; capacity use area permits issued pursuant to G.S. 143-215.15; final approval of dams pursuant to G.S. 143-215.30; floodway permits issued pursuant to G.S. 143-215.54; water diversion authorizations issued pursuant to G.S. 143-354(c); oil refinery permits issued pursuant to G.S. 143-215.99; mining operating permits issued pursuant to G.S. 74-51; permissions for construction of wells issued pursuant to G.S. 87-88; and rules concerning pesticide application within the coastal area issued pursuant to G.S. 143-458; approvals by the Department of Health and Human Services of plans for water supply, drainage or sewerage, pursuant to G.S. 130-161.1 and 130-161.2; standards and approvals for solid waste disposal sites and facilities, adopted by the Department of Health and Human Services pursuant to Chapter 130, Article 13B; permits relating to sanitation of shellfish, crustacea or scallops issued pursuant to Chapter 130, Articles 14A or 14B; permits, approvals, authorizations and rules issued by the Department of Health and Human Services pursuant to Articles 23 or 24 of Chapter 130 with reference to mosquito control programs or districts; any permits, licenses, authorizations, rules, approvals or certificates issued by the Department of Health and Human Services relating to septic tanks or water wells; oil or gas well rules and orders issued for the protection of environmental values or resources pursuant to G.S. 113-391; a certificate of public convenience and necessity issued by the State Utilities Commission pursuant to Chapter 62 for any public utility plant or system, other than a carrier of persons or property; permits, licenses, leases, options, authorization or approvals relating to the use of State forestlands, State parks or other state-owned land issued by the State Department of Administration, the State Department of Natural and Economic Resources or any other State department, agency or institution; any approvals of erosion and sedimentation control plans that may be issued by the ~~North Carolina Sedimentation Control~~ Commission pursuant to G.S. 113A-60 or 113A-61; and any permits, licenses, authorizations, rules, approvals or certificates issued by any State agency pursuant to any environmental protection legislation not specified in this subsection that may be enacted prior to the permit changeover date."

SECTION 14.26.(g) G.S. 143B-279.3(b) reads as rewritten:

"(b) All functions, powers, duties, and obligations previously vested in the following commissions, boards, councils, and committees of the following departments are transferred to and vested in the Department of Environment and Natural Resources by a Type II transfer, as defined in G.S. 143A-6:

- (1) Repealed by Session Laws 1993, c. 501, s. 27.
- (2) Radiation Protection Commission, Department of Health and Human Services.
- (3) Repealed by Session Laws 1997-443, s. 11A.6.
- (4) Water Treatment Facility Operators Board of Certification, Department of Health and Human Services.
- (5) to (8) Repealed by Session Laws 1997-443, s. 11A.6.
- (9) Coastal Resources Commission, Department of Natural Resources and Community Development.
- (10) Environmental Management Commission, Department of Natural Resources and Community Development.
- (11) Air Quality Council, Department of Natural Resources and Community Development.
- (12) Wastewater Treatment Plant Operators Certification Commission, Department of Natural Resources and Community Development.
- (13) Repealed by Session Laws 2011-145, s. 13.25(e), effective July 1, 2011.
- (14) North Carolina Mining and Energy Commission, Department of Natural Resources and Community Development.
- (15) Advisory Committee on Land Records, Department of Natural Resources and Community Development.
- (16) Marine Fisheries Commission, Department of Natural Resources and Community Development.
- (17) Parks and Recreation Council, Department of Natural Resources and Community Development.
- (18) Repealed by Session Laws 2013-360, s. 14.3(j), effective August 1, 2013.
- (19) North Carolina Trails Committee, Department of Natural Resources and Community Development.
- ~~(20) Sedimentation Control Commission, Department of Natural Resources and Community Development.~~
- (21) Repealed by Session Laws 2011-145, s. 13.22A(d), effective July 1, 2011.
- (22) North Carolina Zoological Park Council, Department of Natural Resources and Community Development.
- (23) Repealed by Session Laws 1997-286, s. 6."

SECTION 14.26.(h) G.S. 150B-19.3 reads as rewritten:

"§ 150B-19.3. Limitation on certain environmental rules.

(a) An agency authorized to implement and enforce State and federal environmental laws may not adopt a rule for the protection of the environment or natural resources that imposes a more restrictive standard, limitation, or requirement than those imposed by federal law or rule, if a federal law or rule pertaining to the same subject matter has been adopted, unless adoption of the rule is required by one of the subdivisions of this subsection. A rule required by one of the following subdivisions of this subsection shall be subject to the provisions of G.S. 150B-21.3(b1) as if the rule received written objections from 10 or more persons under G.S. 150B-21.3(b2):

- (1) A serious and unforeseen threat to the public health, safety, or welfare.
- (2) An act of the General Assembly or United States Congress that expressly requires the agency to adopt rules.
- (3) A change in federal or State budgetary policy.
- (4) A federal regulation required by an act of the United States Congress to be adopted or administered by the State.

- 1 (5) A court order.
- 2 (b) For purposes of this section, "an agency authorized to implement and enforce State and
- 3 federal environmental laws" means any of the following:
- 4 (1) The Department of Environment and Natural Resources created pursuant to
- 5 G.S. 143B-279.1.
- 6 (2) The Environmental Management Commission created pursuant to
- 7 G.S. 143B-282.
- 8 (3) The Coastal Resources Commission established pursuant to G.S. 113A-104.
- 9 (4) The Marine Fisheries Commission created pursuant to G.S. 143B-289.51.
- 10 (5) The Wildlife Resources Commission created pursuant to G.S. 143-240.
- 11 (6) The Commission for Public Health created pursuant to G.S. 130A-29.
- 12 ~~(7) The Sedimentation Control Commission created pursuant to G.S. 143B-298.~~
- 13 (8) **(Effective until August 1, 2015)** The North Carolina Mining and Energy
- 14 Commission created pursuant to G.S. 143B-293.1.
- 15 (8) **(Effective August 1, 2015)** The North Carolina Oil and Gas Commission created
- 16 pursuant to G.S. 143B-293.1.
- 17 (9) The Pesticide Board created pursuant to G.S. 143-436."

18 **SECTION 14.26.(i)** G.S. 143B-282 reads as rewritten:

19 **"§ 143B-282. Environmental Management Commission – creation; powers and duties.**

20 (a) There is hereby created the Environmental Management Commission of the Department

21 of Environment and Natural Resources with the power and duty to promulgate rules to be followed

22 in the protection, preservation, and enhancement of the water and air resources of the State.

23 (1) Within the limitations of G.S. 143-215.9 concerning industrial health and safety,

24 the Environmental Management Commission shall have all of the following

25 powers and duties:

- 26 ...
- 27 w. To, in cooperation with the Secretary of Transportation and Highway
- 28 Safety and other appropriate State and federal agencies, develop,
- 29 promulgate, publicize, and administer a comprehensive State erosion and
- 30 sedimentation control program pursuant to Article 4 of Chapter 113A of
- 31 the General Statutes.
- 32 x. To assist local governments in the development of erosion and
- 33 sedimentation programs pursuant to G.S. 113A-60.
- 34 y. To assist and encourage other State agencies in the development of
- 35 erosion and sedimentation control programs pursuant to G.S. 113A-56.
- 36 z. To develop recommended methods of control of sedimentation and
- 37 prepare and make available for distribution publications and other
- 38 materials dealing with sedimentation control techniques pursuant to
- 39 G.S. 113A-54.

40 (2) The Environmental Management Commission shall adopt rules:

- 41 ...
- 42 m. For the control of erosion and sedimentation pursuant to G.S. 113A-54.

43"

44 **SECTION 14.26.(j)** Notwithstanding G.S. 113A-54(b), the Environmental

45 Management Commission shall review the rules adopted by the Sedimentation Control Commission

46 and amend or repeal any such rules that the Environmental Management Commission determines to

47 be outdated, unnecessary, duplicative, or confusing. The Environmental Management Commission

48 shall report its findings and any actions taken pursuant to this section to the Environmental Review

49 Commission on or before January 1, 2016.

50 **SECTION 14.26.(k)** G.S. 113A-54 is amended by adding a new subsection to read:

1 | "(g) The Commission is authorized to make the final decision on a request for the remission
2 | of a civil penalty under G.S. 113A-64.2."

3 | **SECTION 14.26.(l)** G.S. 113A-64(a) reads as rewritten:

4 | "(a) Civil Penalties. –

5 | (1) Any person who violates any of the provisions of this Article or any ordinance,
6 | rule, or order adopted or issued pursuant to this Article by the Commission or by
7 | a local government, or who initiates or continues a land-disturbing activity for
8 | which an erosion and sedimentation control plan is required except in accordance
9 | with the terms, conditions, and provisions of an approved plan, is subject to a
10 | civil penalty. The maximum civil penalty for a violation is five thousand dollars
11 | (\$5,000). A civil penalty may be assessed from the date of the violation. Each
12 | day of a continuing violation shall constitute a separate violation. When the
13 | person has not been assessed any civil penalty under this subsection for any
14 | previous violation and that person abated continuing environmental damage
15 | resulting from the violation within 180 days from the date of the notice of
16 | violation, the maximum cumulative total civil penalty assessed under this
17 | subsection for all violations associated with the land-disturbing activity for which
18 | the erosion and sedimentation control plan is required is twenty-five thousand
19 | dollars (\$25,000).

20 | (2) The Secretary or a local government that administers an erosion and
21 | sedimentation control program approved under G.S. 113A-60 shall determine the
22 | amount of the civil penalty and shall notify the person who is assessed the civil
23 | penalty of the amount of the ~~penalty and penalty~~, the reason for assessing the
24 | ~~penalty-penalty~~, the option available to that person to request a remission of the
25 | civil penalty under G.S. 113A-64.2, the date of the deadline for that person to
26 | make the request regarding this particular penalty, and, when that person has not
27 | been assessed any civil penalty under this section for any previous violation, the
28 | date of the deadline for that person to abate continuing environmental damage
29 | resulting from the violation in order to be subject to the maximum cumulative
30 | total civil penalty under subdivision (1) of this subsection. The notice of
31 | assessment shall be served by any means authorized under G.S. 1A-1, Rule 4,
32 | and shall direct the violator to either pay the assessment or contest the assessment
33 | within 30 days by filing a petition for a contested case under Article 3 of Chapter
34 | 150B of the General Statutes. If a violator does not pay a civil penalty assessed
35 | by the Secretary within 30 days after it is due, the Department shall request the
36 | Attorney General to institute a civil action to recover the amount of the
37 | assessment. If a violator does not pay a civil penalty assessed by a local
38 | government within 30 days after it is due, the local government may institute a
39 | civil action to recover the amount of the assessment. The civil action may be
40 | brought in the superior court of any county where the violation occurred or the
41 | violator's residence or principal place of business is located. A civil action must
42 | be filed within three years of the date the assessment was due. An assessment
43 | that is not contested is due when the violator is served with a notice of
44 | assessment. An assessment that is contested is due at the conclusion of the
45 | administrative and judicial review of the assessment.

46 |"

47 | **SECTION 14.26.(m)** Article 4 of Chapter 113A of the General Statutes is amended by
48 | adding a new section to read:

49 | "§ 113A-64.2. Remission of civil penalties.

1 (a) Notwithstanding G.S. 143B-282.1(c), the Commission's Committee on Civil Penalty
2 Remissions shall evaluate requests for remission of civil penalties assessed under this Article in
3 accordance with this section.

4 (b) A request for remission of a civil penalty imposed under G.S. 113A-64 may be filed with
5 the Commission within 60 days of receipt of the notice of assessment. A remission request must be
6 accompanied by a waiver of the right to a contested case hearing pursuant to Chapter 150B of the
7 General Statutes and a stipulation of the facts on which the assessment was based.

8 (c) The following factors shall be considered in determining whether a civil penalty
9 remission request will be approved:

10 (1) Whether one or more of the civil penalty assessment factors in
11 G.S. 113A-64(a)(3) were wrongly applied to the detriment of the petitioner.

12 (2) Whether the petitioner promptly abated continuing environmental damage
13 resulting from the violation.

14 (3) Whether the violation was inadvertent or a result of an accident.

15 (4) Whether the petitioner had been assessed civil penalties for any previous
16 violations.

17 (5) Whether payment of the civil penalty will prevent payment for necessary
18 remedial actions or would otherwise create a significant financial hardship.

19 (6) The assessed property tax valuation of the petitioner's property upon which the
20 violation occurred, excluding the value of any structures located on the property.

21 (d) The petitioner has the burden of providing information concerning the financial impact
22 of a civil penalty on the petitioner and the burden of showing the petitioner's financial hardship.

23 (e) The Commission may remit the entire amount of the penalty only when the petitioner
24 has not been assessed civil penalties for previous violations and payment of the civil penalty will
25 prevent payment for necessary remedial actions.

26 (f) The Commission may not impose a penalty under this section that is in excess of the
27 civil penalty imposed by the Department."

28 **SECTION 14.26.(n)** G.S. 113A-61.1(c) reads as rewritten:

29 "(c) If the Secretary, a local government that administers an erosion and sedimentation
30 control program approved under G.S. 113A-60, or other approving authority determines that the
31 person engaged in the land-disturbing activity has failed to comply with this Article, the Secretary,
32 local government, or other approving authority shall immediately serve a notice of violation upon
33 that person. The notice may be served by any means authorized under G.S. 1A-1, Rule 4. A notice
34 of violation shall specify a date by which the person must comply with this Article and inform the
35 person of the actions that need to be taken to comply with this Article. Any person who fails to
36 comply within the time specified is subject to additional civil and criminal penalties for a continuing
37 violation as provided in G.S. 113A-64. If the person engaged in the land-disturbing activity has not
38 received a previous notice of violation under this section, the Department, local government, or
39 other approving authority shall deliver the notice of violation in person and shall offer assistance in
40 developing corrective measures. Assistance may be provided by referral to a technical assistance
41 program in the Department, referral to a cooperative extension program, or by the provision of
42 written materials such as Department guidance documents. If the Department, local government, or
43 other approving authority is unable to deliver the notice of violation in person within 15 days
44 following discovery of the violation, the notice of violation may be served in the manner prescribed
45 for service of process by G.S. 1A-1, Rule 4, and shall include information on how to obtain
46 assistance in developing corrective measures."

47 **SECTION 14.26.(o)** Subsections (a) through (j) of this section become effective June
48 30, 2015. The remainder of this section is effective when this act becomes law and applies to civil
49 penalties assessed and notices of violation issued on or after that date.
50

1
2 **Senate Only**

3 **ENERGY CENTERS**

4 **SECTION 14.27.** Of the funds appropriated in this act for University energy centers,
5 the sum of seven hundred ninety-four thousand one hundred forty-eight dollars (\$794,148) shall be
6 allocated to the existing energy center at North Carolina Agricultural and Technical University and
7 the sum of three hundred seventeen thousand ninety-four dollars (\$317,094) shall be allocated to the
8 University of North Carolina at Charlotte for establishment of a University Energy Center. The
9 Centers shall prioritize the use of these funds for study of the beneficial reuse of coal combustion
10 residuals.
11

1
2 **Senate Only**

3 **GEOLOGICAL RESEARCH FUNDS**

4 **SECTION 14.28.(a)** The funds appropriated by this act to the Department of
5 Environment and Natural Resources for geological research related to natural gas assessment and
6 development shall be used to fund a contract with a qualified private entity to perform a
7 comprehensive basin analysis on all known and potential onshore natural gas resources within the
8 State. The contract may include as part of the statewide basin analysis the digitization, analysis, or
9 reanalysis of geologic data related to natural gas exploration or development opportunities,
10 including utilization of existing seismic reflection data. The analysis shall include recommendations
11 and conclusions regarding the extent of potential natural gas-bearing rocks in the State, the potential
12 volumes of oil and gas within these basins, and additional data and data analysis necessary to better
13 quantify geographic extent, volume, and quality of potential onshore oil and gas resources (together
14 with cost estimates to acquire and process these data).

15 **SECTION 14.28.(b)** The Department shall transmit the consultant's report and
16 recommendations no later than December 1, 2016, to the Environmental Review Commission; the
17 chairs of the Senate Appropriations Committee on Natural and Economic Resources and the House
18 Appropriations Committee on Agriculture, Natural, and Economic Resources; and the Fiscal
19 Research Division on the results of the study and its proposed strategy as required by subsection (a)
20 of this section, including any legislative recommendations.
21

1
2 **Senate Only**

3 **RESTRICTION ON CERTAIN FEDERAL GRANTS**

4 **SECTION 14.29.** The Department of Environment and Natural Resources shall not
5 apply for funding from the following grant programs in future grant cycles:

- 6 (1) SEP (State Energy Program) Competitive Grant.
7 (2) Clean Energy and Manufacturing.
8

Senate Only

CONSOLIDATE ALL STATE ATTRACTIONS WITHIN DEPARTMENT OF CULTURAL RESOURCES TO CREATE THE DEPARTMENT OF NATURAL AND CULTURAL RESOURCES

SECTION 14.30.(a) The Department of Cultural Resources is renamed the Department of Natural and Cultural Resources, and all functions, powers, duties, and obligations vested in the following programs, divisions, and entities within the Department of Environment and Natural Resources are transferred to, vested in, and consolidated within the Department of Natural and Cultural Resources by a Type I transfer, as defined in G.S. 143A-6:

- (1) The Division of Parks and Recreation.
- (2) The State Parks System, including Mount Mitchell State Park.
- (3) The North Carolina Aquariums Division.
- (4) The North Carolina Zoological Park.
- (5) The Museum of Natural Sciences.

SECTION 14.30.(b) All functions, powers, duties, and obligations vested in the following commissions, boards, councils, and committees within the Department of Environment and Natural Resources are transferred to, vested in, and consolidated within the Department of Natural and Cultural Resources by a Type II transfer, as defined in G.S. 143A-6:

- (1) North Carolina Parks and Recreation Authority.
- (2) North Carolina Trails Committee.
- (3) North Carolina Zoological Park Council.
- (4) Advisory Commission for North Carolina State Museum of Natural Sciences.

SECTION 14.30.(c) The Department of Environment and Natural Resources is renamed the Department of Environmental Quality. All references to the Department of Environment and Natural Resources or the Department of Cultural Resources in acts of the 2015 General Assembly taking effect after the effective date of this section shall be construed to refer to the Department of Environmental Quality or the Department of Natural and Cultural Resources, respectively. References to duties or requirements of the Department of Environment and Natural Resources with respect to entities transferred under subsections (a) and (b) of this section shall be construed as duties or requirements of the Department of Natural and Cultural Resources as reorganized by this section.

RECODIFICATION OF AFFECTED STATUTES

SECTION 14.30.(d) The following apply to any recodification pursuant to subsections (e) through (k) of this section:

- (1) The recodifications are of the affected statutes as rewritten by subsections (l) through (r) of this section, as applicable.
- (2) Prior session laws that required the Revisor of Statutes to set out certain provisions as notes to the former statutes shall be set out as notes to the recodified statutes.

SECTION 14.30.(e) Subchapter II of Chapter 113 of the General Statutes, consisting of Article 2 and Article 2C, and G.S. 113-23 are recodified as Parts 31 and 32 of Article 2 of Chapter 143B of the General Statutes as set forth in the table below:

<u>Former Citation</u>	<u>Recodified Citation</u>
Article 2:	Part 31:
G.S. 113-29	G.S. 143B-135.10
G.S. 113-34	G.S. 143B-135.12
G.S. 113-34.1	G.S. 143B-135.14
G.S. 113-35	G.S. 143B-135.16

1	G.S. 113-37	G.S. 143B-135.18
2	G.S. 113-39	G.S. 143B-135.20
3	G.S. 113-40	G.S. 143B-135.22
4	G.S. 113-41	G.S. 143B-135.24
5	G.S. 113-42	G.S. 143B-135.26
6	G.S. 113-43	G.S. 143B-135.28
7	G.S. 113-44	G.S. 143B-135.30
8	Article 2C:	Part 32:
9	G.S. 113-44.7	G.S. 143B-135.40
10	G.S. 113-44.8	G.S. 143B-135.42
11	G.S. 113-23	G.S. 143B-135.43
12	G.S. 113-44.9	G.S. 143B-135.44
13	G.S. 113-44.10	G.S. 143B-135.46
14	G.S. 113-44.11	G.S. 143B-135.48
15	G.S. 113-44.12	G.S. 143B-135.50
16	G.S. 113-44.13	G.S. 143B-135.52
17	G.S. 113-44.14	G.S. 143B-135.54
18	G.S. 113-44.15	G.S. 143B-135.56

19
20 **SECTION 14.30.(f)** Articles 5 and 6 of Chapter 113A of the General Statutes and Part
21 21 of Article 7 of Chapter 143B of the General Statutes and Article 3 of Chapter 113A of the
22 General Statutes are recodified as Parts 33, 34, 35, and 36 of Article 2 of Chapter 143B of the
23 General Statutes as set forth in the table below:

24	<u>Former Citation</u>	<u>Recodified Citation</u>
25	Article 5:	Part 33:
26	G.S. 113A-72	G.S. 143B-135.70
27	G.S. 113A-73	G.S. 143B-135.72
28	G.S. 113A-74	G.S. 143B-135.74
29	G.S. 113A-75	G.S. 143B-135.76
30	G.S. 113A-76	G.S. 143B-135.78
31	G.S. 113A-77	G.S. 143B-135.80
32	Article 6:	Part 34:
33	G.S. 113A-83	G.S. 143B-135.90
34	G.S. 113A-84	G.S. 143B-135.92
35	G.S. 113A-85	G.S. 143B-135.94
36	G.S. 113A-86	G.S. 143B-135.96
37	G.S. 113A-87	G.S. 143B-135.98
38	G.S. 113A-87.1	G.S. 143B-135.100
39	G.S. 113A-88	G.S. 143B-135.102
40	G.S. 113A-89	G.S. 143B-135.104
41	G.S. 113A-90	G.S. 143B-135.106
42	G.S. 113A-91	G.S. 143B-135.108
43	G.S. 113A-92	G.S. 143B-135.110
44	G.S. 113A-92.1	G.S. 143B-135.112
45	G.S. 113A-93	G.S. 143B-135.114
46	G.S. 113A-94	G.S. 143B-135.116
47	G.S. 113A-95	G.S. 143B-135.118
48	Part 21:	Part 35:
49	G.S. 143B-333	G.S. 143B-135.130
50	G.S. 143B-334	G.S. 143B-135.132
51	Article 3:	Part 36:

G.S. 113A-30	G.S. 143B-135.140
G.S. 113A-31	G.S. 143B-135.142
G.S. 113A-32	G.S. 143B-135.144
G.S. 113A-33	G.S. 143B-135.146
G.S. 113A-34	G.S. 143B-135.148
G.S. 113A-35	G.S. 143B-135.150
G.S. 113A-35.1	G.S. 143B-135.152
G.S. 113A-35.2	G.S. 143B-135.154
G.S. 113A-36	G.S. 143B-135.156
G.S. 113A-37	G.S. 143B-135.158
G.S. 113A-38	G.S. 143B-135.160
G.S. 113A-39	G.S. 143B-135.162
G.S. 113A-40	G.S. 143B-135.164
G.S. 113A-41	G.S. 143B-135.166
G.S. 113A-42	G.S. 143B-135.168
G.S. 113A-43	G.S. 143B-135.170
G.S. 113A-44	G.S. 143B-135.172

SECTION 14.30.(g) Part 5C of Article 7 of Chapter 143B of the General Statutes is recodified as Part 37 of Article 2 of Chapter 143B of the General Statutes as set forth in the table below:

<u>Former Citation</u>	<u>Recodified Citation</u>
Part 5C:	Part 37:
G.S. 143B-289.40	G.S. 143B-135.180
G.S. 143B-289.41	G.S. 143B-135.182
G.S. 143B-289.42	G.S. 143B-135.184
G.S. 143B-289.43	G.S. 143B-135.186
G.S. 143B-289.44	G.S. 143B-135.188
G.S. 143B-289.45	G.S. 143B-135.190

SECTION 14.30.(h) Part 13A of Article 7 of Chapter 143B of the General Statutes is recodified as Part 38 of Article 2 of Chapter 143B of the General Statutes as set forth in the table below:

<u>Former Citation</u>	<u>Recodified Citation</u>
Part 13A:	Part 38:
G.S. 143B-313.1	G.S. 143B-135.200
G.S. 143B-313.2	G.S. 143B-135.202

SECTION 14.30.(i) Part 22 of Article 7 of Chapter 143B of the General Statutes is recodified as Part 39 of Article 2 of Chapter 143B of the General Statutes as set forth in the table below:

<u>Former Citation</u>	<u>Recodified Citation</u>
Part 22:	Part 39:
G.S. 143B-335	G.S. 143B-135.205
G.S. 143B-336	G.S. 143B-135.207
G.S. 143B-336.1	G.S. 143B-135.209

SECTION 14.30.(j) Article 14 of Chapter 143 of the General Statutes, consisting of G.S. 143-177 through G.S. 143-177.3, is recodified into Part 39 of Article 2 of Chapter 143B as set forth in the table below:

<u>Former Citation</u>	<u>Recodified Citation</u>
------------------------	----------------------------

G.S. 143-177	G.S. 143B-135.210
G.S. 143-177.1	G.S. 143B-135.211
G.S. 143-177.2	G.S. 143B-135.212
G.S. 143-177.3	G.S. 143B-135.213

SECTION 14.30.(k) Part 29 of Article 7 of Chapter 143B of the General Statutes is recodified as Part 40 of Article 2 of Chapter 143B of the General Statutes as set forth in the table below:

<u>Former Citation</u>	<u>Recodified Citation</u>
Part 29:	Part 40:
G.S. 143B-344.18	G.S. 143B-135.215
G.S. 143B-344.19	G.S. 143B-135.217
G.S. 143B-344.20	G.S. 143B-135.219
G.S. 143B-344.21	G.S. 143B-135.221
G.S. 143B-344.22	G.S. 143B-135.223
G.S. 143B-344.23	G.S. 143B-135.229

REVISIONS OF RECODIFIED STATUTES

SECTION 14.30.(l) Parts 31 and 32 of Article 2 of Chapter 143B of the General Statutes, as recodified by subsection (e) of this section, reads as rewritten:

"Part 31. Acquisition and Control of State Parks.

"§ 143B-135.10. Definitions.

(a) In this ~~Article, Part,~~ unless the context requires otherwise, "Department" means the Department of ~~Environment and Natural Resources;~~ Natural and Cultural Resources, and "Secretary" means the Secretary of ~~Environment and Natural Resources.~~ Natural and Cultural Resources.

(b) ~~Repealed by Session Laws 2011-145, s. 13.25(n), effective July 1, 2011."~~

...

"§ 143B-135.14. Power to acquire conservation lands not included in the State Parks System.

The Department of Administration may acquire and allocate to the Department of ~~Environment and Natural Resources~~ Natural and Cultural Resources for management by the Division of Parks and Recreation lands that the Department of ~~Environment and Natural Resources~~ Natural and Cultural Resources finds are important for conservation purposes but which are not included in the State Parks System. Lands acquired pursuant to this section are not subject to ~~Article 2C of Chapter 143-Part 32 of Article 2 of Chapter 143B~~ of the General Statutes and may be traded or transferred as necessary to protect, develop, and manage the Mountains to Sea State Park Trail, other State parks, or other conservation lands. This section does not expand the power granted to the Department of ~~Environment and Natural Resources~~ Natural and Cultural Resources under ~~G.S. 143-34(a)~~ G.S. 143B-135.12(a) to acquire land by condemnation.

"§ 143B-135.16. Control over State parks; operation of public service facilities; concessions to private concerns; authority to charge fees and adopt rules.

(a) The Department shall make reasonable rules governing the use by the public of State parks and State lakes under its charge. These rules shall be posted in conspicuous places on and adjacent to the properties of the State and at the courthouse of the county or counties in which the properties are located. A violation of these rules is punishable as a Class 3 misdemeanor.

~~(a1)(b)~~ The Department may adopt rules under which the Secretary may issue a special-use permit authorizing the use of pyrotechnics in State parks in connection with public exhibitions. The rules shall require that experts supervise the use of pyrotechnics and that written authorization for the use of pyrotechnics be obtained from the board of commissioners of the county in which the pyrotechnics are to be used, as provided in G.S. 14-410. The Secretary may impose any conditions on a permit that the Secretary determines to be necessary to protect public health, safety, and

welfare. These conditions shall include a requirement that the permittee execute an indemnification agreement with the Department and obtain general liability insurance covering personal injury and property damage that may result from the use of pyrotechnics with policy limits determined by the Secretary.

~~(b)(c)~~ The Department may construct, operate, and maintain within the State parks, State lakes, and other areas under its charge suitable public service facilities and conveniences, and may charge and collect reasonable fees for the use of these facilities and conveniences. The Department may also charge and collect reasonable fees for each of the following:

- (1) The erection, maintenance, and use of docks, piers, and any other structures permitted in or on State lakes under rules adopted by the Department.
- (2) Fishing privileges in State parks and State lakes, provided that these privileges shall be extended only to holders of State hunting and fishing licenses who comply with all State game and fish laws.
- (3) Vehicle access for off-road driving at the beach at Fort Fisher State Recreation Area.
- (4) The erection, maintenance, and use of a marina at Carolina Beach.

~~(b)(d)~~ Members of the public who pay a fee under subsection ~~(b)(c)~~ of this section for access to Fort Fisher State Recreation Area may have 24-hour access to Fort Fisher State Recreation Area from September 15 through March 15 of each year.

~~(e)(e)~~ The Department may make reasonable rules for the operation and use of boats or other craft on the surface of the waters under its charge. The Department may charge and collect reasonable fees for the use of boats and other watercraft that are purchased and maintained by the Department; however, the Department shall not charge a fee for the use or operation of any other boat or watercraft on these waters.

~~(d)(f)~~ The Department may grant to private individuals or companies concessions for operation of public service facilities for such periods and upon such conditions as the Department deems to be in the public interest. The Department may adopt reasonable rules for the regulation of the use by the public of the lands and waters under its charge and of the public service facilities and conveniences authorized under this section. A violation of these rules is punishable as a Class 3 misdemeanor.

~~(d)(g)~~ The Department shall ~~implement the following recommendations:~~ validate no less frequently than every five years the number of visitors per car used in the calculation of visitor counts at State Parks.

~~(e)(h)~~ The authority granted to the Department under this section is in addition to any authority granted to the Department under any other provision of law.

"§ 143B-135.18. Legislative authority necessary for payment.

Nothing in this ~~Article-Part~~ shall operate or be construed as authority for the payment of any money out of the State treasury for the purchase of lands or for other purposes unless by appropriation for said purpose by the General Assembly.

...."

"Part 32. State Parks Act.

"§ 143B-135.40. Short title.

This ~~Article-Part~~ shall be known as the State Parks Act.

"§ 143B-135.42. Declaration of policy and purpose.

(a) The State of North Carolina offers unique archaeological, geologic, biological, scenic, and recreational resources. These resources are part of the heritage of the people of this State. The heritage of a people should be preserved and managed by the people for their use and for the use of their visitors and descendants.

(b) The General Assembly finds it appropriate to establish the State Parks System. This system shall consist of parks which include representative examples of the resources sought to be preserved by this ~~Article-Part~~, together with such surrounding lands as may be appropriate. Park

lands are to be used by the people of this State and their visitors in order to promote understanding of and pride in the natural heritage of this State.

(c) The tax dollars of the people of the State should be expended in an efficient and effective manner for the purpose of assuring that the State Parks System is adequate to accomplish the goals as defined in this ~~Article-Part~~.

(d) The purpose of this ~~Article-Part~~ is to establish methods and principles for the planned acquisition, development, and operation of State parks.

"§ 143B-135.44. Definitions.

As used in this ~~Article-Part~~, unless the context requires otherwise:

(1) "Department" means the Department of ~~Environment and~~ Natural ~~and Cultural~~ Resources.

(2) "Park" means any tract of land or body of water comprising part of the State Parks System under this ~~Article-Part~~, including existing State parks, State natural areas, State recreation areas, State trails, State rivers, and State lakes.

(3) "Plan" means State Parks System Plan.

(4) "Secretary" means the Secretary of ~~Environment and~~ Natural ~~and Cultural~~ Resources.

(5) "State Parks System" or "system" mean all those lands and waters which comprise the parks system of the State as established under this ~~Article-Part~~.

"§ 143B-135.46. Powers of the Secretary.

The Secretary shall implement the provisions of this ~~Article-Part~~ and shall be responsible for the administration of the State Parks System.

"§ 143B-135.48. Preparation of a System Plan.

(a) The Secretary shall prepare and adopt a State Parks System Plan by December 31, 1988. The Plan, at a minimum, shall:

(1) Outline a method whereby the mission and purposes of the State Parks System as defined in ~~G.S. 113-44.8-G.S. 143B-135.42~~ can be achieved in a reasonable, timely, and cost-effective manner;

(2) Evaluate existing parks against these standards to determine their statewide significance;

(3) Identify duplications and deficiencies in the current State Parks System and make recommendations for correction;

(4) Describe the resources of the existing State Parks System and their current uses, identify conflicts created by those uses, and propose solutions to them; and

(5) Describe anticipated trends in usage of the State Parks System, detail what impacts these trends may have on the State Parks System, and recommend means and methods to accommodate those trends successfully.

(b) The Plan shall be developed with full public participation, including a series of public meetings held on adequate notice under rules which shall be adopted by the Secretary. The purpose of the public meetings and other public participation shall be to obtain from the public:

(1) Views and information on the needs of the public for recreational resources in the State Parks System;

(2) Views and information on the manner in which these needs should be addressed;

(3) Review of the draft plan prepared by the Secretary before he adopts the Plan.

(c) The Secretary shall revise the Plan at intervals not exceeding five years. Revisions to the Plan shall be made consistent with and under the rules providing public participation in adoption of the Plan.

(d) No later than October 1 of each year, the Department shall submit electronically the State Parks System Plan to the Environmental Review Commission, the Senate and the House of Representatives ~~Appropriations Subcommittees on Natural and Economic Resources, appropriations~~ committees with jurisdiction over natural and cultural resources, and the Fiscal Research Division.

1 Concurrently, the Department shall submit a summary of each change to the Plan that was made
2 during the previous fiscal year.

3 **"§ 143B-135.50. Classification of parks resources.**

4 After adopting the Plan, the Secretary shall identify and classify the major resources of each of
5 the parks in the State Parks System, in order to establish the major purpose or purposes of each of
6 the parks, consistent with the Plan and the purposes of this ~~Article~~Part.

7 **"§ 143B-135.52. General management plans.**

8 Every park classified pursuant to ~~G.S. 113-44.12~~ G.S. 143B-135.50 shall have a general
9 management plan. The plan shall include a statement of purpose for the park based upon its
10 relationship to the System Plan and its classification. An analysis of the major resources and
11 facilities on hand to achieve those purposes shall be completed along with a statement of
12 management direction. The general management plan shall be revised as necessary to comply with
13 the System Plan and to achieve the purposes of this ~~Article~~Part.

14 **"§ 143B-135.54. Additions to and deletions from the State Parks System.**

15 (a) If, in the course of implementing ~~G.S. 113-44.12~~ G.S. 143B-135.50 the Secretary
16 determines that the major purposes of a park are not consistent with the purposes of this ~~Article~~Part
17 and the Plan, the Secretary may propose to the General Assembly the deletion of that park from the
18 State Parks System. On a majority vote of each house of the General Assembly, the General
19 Assembly may remove the park from the State Parks System. No other agency or governmental
20 body of the State shall have the power to remove a park or any part from the State Parks System.

21 (b) New parks shall be added to the State Parks System by the Department after
22 authorization by the General Assembly. Each additional park shall be authorized only by an act of
23 the General Assembly. Additions shall be consistent with and shall address the needs of the State
24 Parks System as described in the Plan. All additions shall be accompanied by adequate
25 authorization and appropriations for land acquisition, development, and operations.

26 **"§ 143B-135.56. Parks and Recreation Trust Fund.**

27 ...

28 (c) Reports. – The North Carolina Parks and Recreation Authority shall report no later than
29 October 1 of each year to the Joint Legislative Commission on Governmental Operations, the House
30 and Senate Appropriations Subcommittees on Natural and Economic Resources, the Fiscal
31 Research Division, and the Environmental Review Commission on allocations from the Trust Fund
32 from the prior fiscal year. For funds allocated from the Trust Fund under ~~subdivision~~subsection
33 (b1) of this section, this report shall include the operating expenses determined under subdivisions
34 (1) and (2) of subsection (b3) of this section.

35"

36 **SECTION 14.30.(m)** Parts 33-36 of Article 2 of Chapter 143B of the General Statutes,
37 as recodified by subsection (f) of this section, read as rewritten:

38 "Part 33. North Carolina Appalachian Trails System Act.

39 **"§ 143B-135.70. Short title.**

40 This ~~Article~~Part may be cited as the North Carolina Appalachian Trails System Act.

41 **"§ 143B-135.72. Policy and purpose.**

42 (a) In order to provide for the ever-increasing outdoor recreation needs of an expanded
43 population and in order to promote public access to, travel within, and enjoyment and appreciation
44 of the open-air, outdoor areas of the State, the Appalachian Trail should be protected in North
45 Carolina as a segment of the National Scenic Trails System.

46 (b) The purpose of this ~~Article~~Part is to provide the means for attaining these objectives by
47 instituting a North Carolina Appalachian Trail System, designating the Appalachian Trail lying or
48 located in the North Carolina Counties of Avery, Mitchell, Yancey, Madison, Haywood, Swain,
49 Graham, Macon, and Clay, as defined in the Federal Register of the National Trails Act as the basic
50 component of that System, and by prescribing the methods by which, and standards according to
51 which, additional connecting trails may be added to the System.

1 **"§ 143B-135.74. Appalachian Trails System; connecting or side trails; coordination with the**
2 **National Trails System Act.**

3 Connecting or side trails may be established, designated and marked as components of the
4 | Appalachian Trail System by the Department of ~~Environment and~~ Natural and Cultural Resources
5 in consultation with the federal agencies charged with the responsibility for the administration and
6 management of the Appalachian Trail in North Carolina. Criteria and standards of establishment
7 will coincide with those set forth in the National Trails System Act (PL 90-543).

8 | **"§ 143B-135.76. Assistance under this ~~Article Part~~ with the National Trails System Act (PL**
9 **90-543).**

10 (a) The Department of Administration in cooperation with other appropriate State
11 departments shall consult with the federal agencies charged with the administration of the
12 Appalachian Trail in North Carolina and develop a mutually agreeable plan for the orderly and
13 coordinated acquisition of Appalachian Trail right-of-way and the associated tracts, as needed, to
14 provide a suitable environment for the Appalachian Trail in North Carolina.

15 | (b) The Department of ~~Environment and~~ Natural and Cultural Resources and the federal
16 agencies charged with the responsibility of the administration of the Appalachian Trail in North
17 Carolina shall give due consideration to the conservation of the environment of the Appalachian
18 Trail and, in accordance with the National Trails System Act, may obtain advice and assistance
19 from local governments, Carolina Mountain Club, Nantahala Hiking Club, Piedmont Appalachian
20 Trail Hikers, Appalachian Trail Conference, other interested organizations and individuals,
21 landowners and land users concerned.

22 (c) The Board of Transportation shall cooperate and assist in carrying out the purposes of
23 | this ~~Article Part~~ and the National Trails System Act where their highway projects cross or may be
24 adjacent to any component of the Appalachian Trail System.

25 (d) Lands acquired by the State of North Carolina within the 200-foot right-of-way of the
26 Appalachian Trail and within the exterior boundaries of the Pisgah or Nantahala National Forests,
27 will be conveyed to the United States Forest Service as the federal agency charged with the
28 responsibility for the administration and management of the Appalachian Trail within these specific
29 areas.

30 (e) Lands acquired by the State of North Carolina outside of the boundaries of the
31 Appalachian Trail right-of-way will be administered by the appropriate State department in such a
32 manner as to preserve and enhance the environment of the Appalachian Trail.

33 | (f) In consultation with the Department of ~~Environment and~~ Natural and Cultural
34 Resources, the federal agency charged with the responsibility of the administration of the
35 Appalachian Trail in North Carolina shall establish use regulations in accordance with the National
36 Trails System Act.

37 (g) The use of motor vehicles on the trails of the North Carolina Appalachian Trail System
38 may be authorized when such use is necessary to meet emergencies or to enable adjacent
39 landowners to have reasonable access to their lands and timber rights provided that the granting of
40 this access is in accordance with limitations and conditions of such use set forth in the National
41 Trails System Act.

42 **"§ 143B-135.78. Acquisition of rights-of-way and lands; manner of acquiring.**

43 The State of North Carolina may use lands for trail purposes within the boundaries of areas
44 under its administration that are included in the rights-of-way selected for the Appalachian Trail
45 System. The Department of Administration may acquire lands or easements by donation or
46 purchase with funds donated or appropriated for such purpose.

47 **"§ 143B-135.80. Expenditures authorized.**

48 The Department is authorized to spend any federal, State, local or private funds available for
49 this purpose to the Department for acquisition and development of the Appalachian Trail System.

50 "Part 34. North Carolina Trails System.

51 **"§ 143B-135.90. Short title.**

1 | This ~~Article-Part~~ shall be known and may be cited as the "North Carolina Trails System Act."

2 | **"§ 143B-135.92. Declaration of policy and purpose.**

3 | (a) In order to provide for the ever-increasing outdoor recreation needs of an expanded
4 | population and in order to promote public access to, travel within, and enjoyment and appreciation
5 | of the outdoor, natural and remote areas of the State, trails should be established in natural, scenic
6 | areas of the State, and in and near urban areas.

7 | (b) The purpose of this ~~Article-Part~~ is to provide the means for attaining these objectives by
8 | instituting a State system of scenic and recreation trails, coordinated with and complemented by
9 | existing and future local trail segments or systems, and by prescribing the methods by which, and
10 | standards according to which, components may be added to the State trails system.

11 | **"§ 143B-135.94. Definitions.**

12 | Except as otherwise required by context, the following terms when used in this ~~Article-Part~~ shall
13 | be construed respectively to mean:

14 | (1) "Department" means the North Carolina Department of ~~Environment and~~ Natural
15 | ~~and Cultural~~ Resources.

16 | (2) "Political subdivision" means any county, any incorporated city or town, or other
17 | political subdivision.

18 | (3) "Scenic easement" means a perpetual easement in land which
19 | a. Is held for the benefit of the people of North Carolina,
20 | b. Is specifically enforceable by its holder or beneficiary, and
21 | c. Limits or obligates the holder of the servient estate, his heirs, and assigns
22 | with respect to their use and management of land and activities conducted
23 | thereon, the object of such limitations and obligations being the
24 | maintenance or enhancement of the natural beauty of the land in question
25 | or of areas affected by it.

26 | (4) "Secretary" means the Secretary of ~~Environment and~~ Natural ~~and Cultural~~
27 | Resources, except as otherwise specified in this ~~Article-Part~~.

28 | (5) "State trails system" means the trails system established in this ~~Article-Part~~ or
29 | pursuant to the State Parks Act, ~~Article 2C of Chapter 113 of the General~~
30 | ~~Statutes, Part 32 of this Article,~~ and including all trails and trail segments,
31 | together with their rights-of-way, added by any of the procedures described in
32 | this ~~Article or Article 2C of Chapter 113 of the General Statutes, Part or Part 32~~
33 | ~~of this Article.~~

34 | (6) "Trail" means:
35 | a. Park trail. – A trail designated and managed as a unit of the North
36 | Carolina State Parks System under ~~Article 2C of Chapter 113 of the~~
37 | ~~General Statutes, Part 32 of this Article.~~
38 | b. Designated trail. – A trail designated by the Secretary pursuant to this
39 | ~~Article-Part~~ as a component of the State trails system and that is managed
40 | by another governmental agency or by a corporation listed with the
41 | Secretary of State.
42 | c. A State scenic trail, State recreation trail, or State connecting trail under
43 | ~~G.S. 113A-86~~ G.S. 143B-135.96 when the intended primary use of the
44 | trail is to serve as a park trail or designated trail.
45 | d. Any other trail that is open to the public and that the owner, lessee,
46 | occupant, or person otherwise in control of the land on which the trail is
47 | located allows to be used as a trail without compensation, including a trail
48 | that is not designated by the Secretary as a component of the State trails
49 | system.

50 | (7) "Trails Committee" means the North Carolina Trails Committee established by
51 | Part 35 of this Article.

1 **"§ 143B-135.96. Composition of State trails system.**

2 The State trails system shall be composed of designated:

- 3 (1) State scenic trails, which are defined as extended trails so located as to provide
4 maximum potential for the appreciation of natural areas and for the conservation
5 and enjoyment of the significant scenic, historic, natural, ecological, geological
6 or cultural qualities of the areas through which such trails may pass.
7 (2) State recreation trails, which are defined as trails planned principally for
8 recreational value and may include trails for foot travel, horseback, nonmotorized
9 bicycles, nonmotorized water vehicles, and two-wheel-and four-wheel-drive
10 motorized vehicles. More than one of the aforesaid types of travel may be
11 permitted on a single trail in the discretion of the Secretary.
12 (3) Connecting or side trails, which will provide additional points of public access to
13 State recreation or State scenic trails or which will provide connections between
14 such trails.

15 **"§ 143B-135.98. Authority to designate trails.**

16 The Department may establish and designate trails on:

- 17 (1) Lands administered by the Department,
18 (2) Lands under the jurisdiction of a State department, political subdivision, or
19 federal agency, or
20 (3) Private lands provided, fee-simple title, lesser estates, scenic easements,
21 easements of surface ingress and egress running with the land, leases, or other
22 written agreements are obtained from landowners through which a State trail may
23 pass.

24 **"§ 143B-135.100. Use of State land for bicycling; creation of trails by volunteers.**

25 (a) Any land held in fee simple by this State, any agency of this State, or any land purchased
26 or leased with funds provided by this State may be open and available for use by bicyclists upon
27 establishment of a usage agreement. The usage agreement shall be established between the land
28 manager and any local cycling group or organization intending to use the land and shall specify the
29 terms and conditions for use of the land. The land manager shall designate a representative with
30 knowledge of off-road bicycle trail building to negotiate the agreement. Upon establishment of the
31 usage agreement, any bicyclist may use the land pursuant to the agreement.

32 The land manager shall not be required to create, maintain, or make available any special trails,
33 paths, or other accommodations to any user of the land for cycling purposes. However, once a usage
34 agreement has been established, any local cycling group or organization may create and maintain
35 special trails for cycling purposes. Any trails created for the purpose of off-road cycling shall be
36 created and maintained using commonly accepted best practices.

37 (b) Notwithstanding the provisions of subsection (a) of this section, any land may be
38 restricted or removed from use by bicyclists if it is determined by the State, an agency of the State,
39 or the holder of land purchased or leased with State funds that the use would cause substantial harm
40 to the land or the environment or that the use would violate another State or federal law. Before
41 restricting or removing land from use by bicyclists, the State, the agency of the State, or the holder
42 of the land purchased or leased with State funds must show why the lands should not be open for
43 use by bicyclists. Local cycling groups or organizations shall be notified of the intent to restrict or
44 remove the land from use by bicyclists and provided an opportunity to show why cycling should be
45 allowed on the land. Notice of any land restricted or removed from use by bicyclists pursuant to this
46 subsection shall be filed with the Division of Bicycle and Pedestrian Transportation of the
47 Department of Transportation.

48 (c) The Division of Bicycle and Pedestrian Transportation of the Department of
49 Transportation shall keep a record of all lands made open and available for use by bicyclists
50 pursuant to this section and shall make the information available to the public upon request.

(d) Any land open and available for use by bicyclists, pursuant to subsection (a) of this section, shall also be available to members of the public for hiking and walking. Persons using the land pursuant to this subsection shall yield the right-of-way to bicyclists when hiking or walking on any trails created and maintained for the purpose of off-road cycling and so designated along that trail.

(e) Notwithstanding any other provision of this section, any hiking, walking, or use of bicycles on game lands administered by the Wildlife Resources Commission shall be restricted to roads and trails designated for vehicular use. Hiking, walking, or bicycle use by persons not hunting shall be restricted to days closed to hunting. The Wildlife Resources Commission may restrict the use of bicycles on game lands where necessary to protect sensitive wildlife habitat or species and shall file notice of any restrictions with the Division of Bicycle and Pedestrian Transportation of the Department of Transportation.

"§ 143B-135.102. ~~North Carolina Trails Committee; composition; meetings and functions; Trails Committee duties.~~

~~(a) Repealed by Session Laws 1973, c. 1262, s. 82.~~

~~(b)(a)~~ The Committee shall meet in various sections of the State not less than two times annually to advise the Department on all matters directly or indirectly pertaining to trails, their use, extent, location, and the other objectives and purposes of this ~~Article~~. Part.

~~(c)(b)~~ The Committee shall coordinate trail development among local governments, and shall assist local governments in the formation of their trail plans and advise the Department quarterly of its findings.

~~(d)(c)~~ The Secretary, with advice of the Committee, shall study trail needs and potentials, and make additions to the State Trails System as needed. He shall submit an annual report to the Governor and General Assembly on trail activities by the Department, including rights-of-way that have been established and on the program for implementing this ~~Article~~. Part. Each report shall include a short statement on the significance of the various trails to the System. The Secretary shall make such rules as to trail development, management, and use that are necessary for the proper implementation of this ~~Article~~. Part.

"§ 143B-135.104. Location of trails.

The process of locating routes of designated trails to be added to the system shall be as follows:

For State scenic trails, the Secretary or a designee, after consulting with the Committee, shall recommend a route. For State recreation trails and for connecting or side trails, the Secretary or a designee, after consulting with the Committee, shall select the route. The Secretary may provide technical assistance to political subdivisions or private, nonprofit organizations that develop, construct, or maintain designated trails or other public trails that complement the State trails system. When a route shall traverse land within the jurisdiction of a governmental unit or political subdivision, the Department shall consult with such unit or such subdivision prior to its final determination of the location of the route. The selected route shall be compatible with preservation or enhancement of the environment it traverses. Reasonable effort shall be made to minimize any adverse effects upon adjacent landowners and users. Notice of the selected route shall be published by the Department in a newspaper of general circulation in the area in which the trail is located, together with appropriate maps and descriptions to be conspicuously posted at the appropriate courthouse. Such publication shall be prior to the designation of the trail by the Secretary.

"§ 143B-135.106. Scenic easements within right-of-way.

Within the boundaries of the right-of-way, the Secretary of the North Carolina Department of Administration may acquire, on behalf of the State of North Carolina, lands in fee title, or interest in land in the form of scenic easements, cooperative agreements, easements of surface ingress and egress running with the land, leases, or less than fee estates. Acquisition of land or of interest therein may be by gift, purchased with donated funds or funds appropriated by the governmental agencies for this purpose, proceeds from the sale of bonds or exchange. Any change in value of land

1 resulting from the grant of an easement shall be taken into consideration in the assessment of the
2 land for tax purposes.

3 **"§ 143B-135.108. Trails within parks; conflict of laws.**

4 Any component of the System that is or shall become a part of any State park, recreation area,
5 | wildlife management area, or similar area shall be subject to the provisions of this ~~Article-Part~~ as
6 well as any other laws under which the other areas are administered, and in the case of conflict
7 between the provisions the more restrictive provisions shall apply.

8 **"§ 143B-135.110. Uniform trail markers.**

9 The Department, in consultation with the Committee, shall establish a uniform marker for trails
10 contained in the System. An additional appropriate symbol characterizing specific trails may be
11 included on the marker. The markers shall be placed at all access points, together with signs
12 indicating the modes of locomotion that are prohibited for the trail, provided that where the trail
13 constitutes a portion of a national scenic trail, use of the national scenic trail uniform marker shall
14 be considered sufficient. The route of the trail and the boundaries of the right-of-way shall be
15 adequately marked.

16 **"§ 143B-135.112. Adopt-A-Trail Program.**

17 The Department shall establish an Adopt-A-Trail Program to coordinate with the Trails
18 Committee and local groups or persons on trail development and maintenance. Local involvement
19 shall be encouraged, and interested groups are authorized to "adopt-a-trail" for such purposes as
20 placing trail markers, trail building, trail blazing, litter control, resource protection, and any other
21 | activities related to the policies and purposes of this ~~Article-Part~~.

22 **"§ 143B-135.114. Administrative policy.**

23 The North Carolina Trails System shall be administered by the Department according to the
24 | policies and criteria set forth in this ~~Article-Part~~. The Department shall, in addition, have or
25 designate the responsibility for maintaining the trails, building bridges, campsites, shelters, and
26 related public-use facilities where required.

27 **"§ 143B-135.116. Incorporation in National Trails System.**

28 | Nothing in this ~~Article-Part~~ shall preclude a component of the State Trails System from
29 becoming a part of the National Trails System. The Secretary shall coordinate the State Trails
30 System with the National Trails System and is directed to encourage and assist any federal studies
31 for inclusion of North Carolina trails in the National Trails System. The Department may enter into
32 written cooperative agreements for joint federal-State administration of a North Carolina component
33 of the National Trails System, provided such agreements for administration of land uses are not less
34 | restrictive than those set forth in this ~~Article-Part~~.

35 **"§ 143B-135.118. Trail use liability.**

36 (a) Any person, as an owner, lessee, occupant, or otherwise in control of land, who allows
37 without compensation another person to use the land for designated trail or other public trail
38 purposes or to construct, maintain, or cause to be constructed or maintained a designated trail or
39 other public trail owes the person the same duty of care he owes a trespasser.

40 (b) Any person who without compensation has constructed, maintained, or caused to be
41 constructed or maintained a designated trail or other public trail pursuant to a written agreement
42 with any person who is an owner, lessee, occupant, or otherwise in control of land on which a trail
43 is located shall owe a person using the trail the same duty of care owed a trespasser.

44 | ~~(c) Repealed by Session Laws 1993, c. 184, s. 6.~~

45 "Part 35. North Carolina Trails Committee.

46 **"§ 143B-135.130. North Carolina Trails Committee – creation; powers and duties.**

47 There is hereby created the North Carolina Trails Committee of the Department of ~~Environment~~
48 ~~and Natural~~ ~~and Cultural~~ Resources. The Committee shall have the following functions and duties:

- 49 (1) To meet not less than two times annually to advise the Department on all matters
50 directly or indirectly pertaining to trails, their use, extent, location, and the other
51 | objectives and purposes of ~~G.S. 143A-88~~ ~~G.S. 143B-135.102~~.

(2) To coordinate trail development among local governments, and to assist local governments in the formation of their trail plans and advise the Department of its findings.

(3) To advise the Secretary of trail needs and potentials pursuant to ~~G.S. 113A-88~~ G.S. 143B-135.102.

"§ 143B-135.132. North Carolina Trails Committee – members; selection; removal; compensation.

The North Carolina Trails Committee shall consist of seven members appointed by the Secretary of ~~Environment and~~ Natural and Cultural Resources. Two members shall be from the mountain section, two from the Piedmont section, two from the coastal plain, and one at large. They shall as much as possible represent various trail users.

~~The initial members of the North Carolina Trails Committee shall be the members of the current North Carolina Trails Committee who shall serve for a period equal to the remainder of their current term on the North Carolina Trails Committee. At the end of the respective terms of office of the initial members of the Committee, the appointment of their successors shall be for Committee members shall serve~~ staggered terms of four years and until their successors are appointed and qualify. Any appointment to fill a vacancy on the Committee created by the resignation, dismissal, death or disability of a member shall be for the balance of the unexpired term.

The Governor shall have the power to remove any member of the Committee from office in accordance with the provisions of G.S. 143B-16 of the Executive Organization Act of 1973.

The Secretary of ~~Environment and~~ Natural and Cultural Resources shall designate a member of the Committee to serve as chairman at the pleasure of the Governor.

Members of the Committee shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5 and G.S. 143B-15 of the Executive Organization Act of 1973.

"Part 36. Natural and Scenic Rivers System.

"§ 143B-135.140. Short title.

This ~~Article-Part~~ shall be known and may be cited as the "Natural and Scenic Rivers Act of 1971."

"§ 143B-135.142. Declaration of policy.

The General Assembly finds that certain rivers of North Carolina possess outstanding natural, scenic, educational, geological, recreational, historic, fish and wildlife, scientific and cultural values of great present and future benefit to the people. The General Assembly further finds as policy the necessity for a rational balance between the conduct of man and the preservation of the natural beauty along the many rivers of the State. This policy includes retaining the natural and scenic conditions in some of the State's valuable rivers by maintaining them in a free-flowing state and to protect their water quality and adjacent lands by retaining these natural and scenic conditions. It is further declared that the preservation of certain rivers or segments of rivers in their natural and scenic condition constitutes a beneficial public purpose.

"§ 143B-135.144. Declaration of purpose.

The purpose of this ~~Article-Part~~ is to implement the policy as set out in ~~G.S. 113A-31~~ G.S. 143B-135.142 by instituting a North Carolina natural and scenic rivers system, and by prescribing methods for inclusion of components to the system from time to time.

"§ 143B-135.146. Definitions.

As used in this ~~Article-Part~~, unless the context requires otherwise:

(1) "Department" means the Department of ~~Environment and~~ Natural and Cultural Resources.

(2) "Free-flowing," as applied to any river or section of a river, means existing or flowing in natural condition without substantial impoundment, diversion, straightening, rip-rapping, or other modification of the waterway. The existence of low dams, diversion works, and other minor structures at the time any river is

proposed for inclusion in the North Carolina natural and scenic rivers system shall not automatically bar its consideration for such inclusion: Provided, that this shall not be construed to authorize, intend, or encourage future construction of such structures within components of the system.

(3) "River" means a flowing body of water or estuary or a section, portion, or tributary thereof, including rivers, streams, creeks, runs, kills, rills, and small lakes.

(4) "Road" means public or private highway, hard-surface road, dirt road, or railroad.

(5) "Scenic easement" means a perpetual easement in land which (i) is held for the benefit of the people of North Carolina, (ii) is specifically enforceable by its holder or beneficiary, and (iii) limits or obligates the holder of the servient estate, his heirs, and assigns with respect to their use and management of the land and activities conducted thereon. The object of such limitations and obligations is the maintenance or enhancement of the natural beauty of the land in question or of the areas affected by it.

(6) "Secretary" means the Secretary of ~~Environment and~~ Natural and Cultural Resources.

"§ 143B-135.148. Types of scenic rivers.

The following types of rivers are eligible for inclusion in the North Carolina natural and scenic rivers system:

Class I. Natural river areas. Those free-flowing rivers or segments of rivers and adjacent lands existing in a natural condition. Those rivers or segments of rivers that are free of man-made impoundments and generally inaccessible except by trail, with the lands within the boundaries essentially primitive and the waters essentially unpolluted. These represent vestiges of primitive America.

Class II. Scenic river areas. Those rivers or segments of rivers that are largely free of impoundments, with the lands within the boundaries largely primitive and largely undeveloped, but accessible in places by roads.

Class III. Recreational river areas. Those rivers or segments of rivers that offer outstanding recreation and scenic values and that are largely free of impoundments. They may have some development along their shorelines and have more extensive public access than natural or scenic river segments. Recreational river segments may also link two or more natural and/or scenic river segments to provide a contiguous designated river area. No provision of this section shall interfere with flood control measures; provided that recreational river users can continue to travel the river.

"§ 143B-135.150. Criteria for system.

For the inclusion of any river or segment of river in the natural and scenic river system, the following criteria must be present:

(1) River segment length – must be no less than one mile.

(2) Boundaries – of the system shall be the visual horizon or such distance from each shoreline as may be determined to be necessary by the Secretary, but shall not be less than 20 feet.

(3) Water quality – shall not be less than that required for Class "C" waters as established by the North Carolina Environmental Management Commission.

(4) Water flow – shall be sufficient to assure a continuous flow and shall not be subjected to withdrawal or regulation to the extent of substantially altering the natural ecology of the stream.

(5) Public access – shall be limited, but may be permitted to the extent deemed proper by the Secretary, and in keeping with the property interest acquired by the Department and the purpose of this ~~Article~~ Part.

"§ 143B-135.152. Components of system; management plan; acquisition of land and easements; inclusion in national system.

(a) That segment of the south fork of the New River extending from its confluence with Dog Creek in Ashe County downstream through Ashe and Alleghany Counties to its confluence with the north fork of the New River and the main fork of the New River in Ashe and Alleghany Counties downstream to the Virginia State line shall be a scenic river area and shall be included in the North Carolina Natural and Scenic Rivers System.

The Department shall prepare and implement a management plan for this river section. This management plan shall recognize and provide for the protection of the existing undeveloped scenic and pastoral features of the river. Furthermore, it shall specifically provide for continued use of the lands adjacent to the river for normal agricultural activities, including, but not limited to, cultivation of crops, raising of cattle, growing of trees and other practices necessary to these agricultural pursuits.

For purposes of implementing this section and the management plan, the Department may acquire lands or interests in lands, provide for protection of scenic values as described in ~~G.S. 113A-38, G.S. 143B-135.160,~~ and provide for public access. Easements obtained for the purpose of implementing this section and the management plan shall not abridge the water rights being exercised on May 26, 1975.

Should the Governor seek inclusion of this river segment in the National System of Wild and Scenic Rivers by action of the Secretary of Interior, such inclusion shall be at no cost to the federal government, as prescribed in the National Wild and Scenic Rivers Act, and therefore shall be under the terms described in this section of the North Carolina Wild and Scenic Rivers Act and in the management plan developed pursuant thereto.

(b) ~~Repealed by Session Laws 2012-200, s. 24, effective August 1, 2012.~~
"§ 143B-135.154. Additional components.

That segment of the Linville River beginning at the State Highway 183 bridge over the Linville River and extending approximately 13 miles downstream to the boundary between the United States Forest Service lands and lands of Duke Power Company (latitude 35° 50' 20") shall be a natural river area and shall be included in the North Carolina Natural and Scenic River System.

That segment of the Horsepasture River in Transylvania County extending downstream from Bohaynee Road (N.C. 281) to Lake Jocassee shall be a natural river and shall be included in the North Carolina Natural and Scenic Rivers System.

That segment of the Lumber River extending from county road 1412 in Scotland County downstream to the North Carolina-South Carolina state line, a distance of approximately 102 river miles, shall be included in the Natural and Scenic Rivers System and classified as follows: from county road 1412 in Scotland County downstream to the junction of the Lumber River and Back Swamp shall be classified as scenic; from the junction of the Lumber River and Back Swamp downstream to the junction of the Lumber River and Jacob Branch and the river within the Fair Bluff town limits shall be classified as recreational; and from the junction of the Lumber River and Jacob Branch downstream to the North Carolina-South Carolina state line, excepting the Fair Bluff town limits, shall be classified as natural.

"§ 143B-135.156. Administrative agency; federal grants; additions to the system; regulations.

(a) The Department is the agency of the State of North Carolina with the duties and responsibilities to administer and control the North Carolina natural and scenic rivers system.

(b) The Department shall be the agency of the State with the authority to accept federal grants of assistance in planning, developing (which would include the acquisition of land or an interest in land), and administering the natural and scenic rivers system.

(c) The Secretary of the Department shall study and from time to time submit to the Governor and to the General Assembly proposals for the additions to the system of rivers and segments of rivers which, in his judgment, fall within one or more of the categories set out in ~~G.S. 113A-34, G.S. 143B-135.148.~~ Each proposal shall specify the category of the proposed addition and shall be accompanied by a detailed report of the facts which, in the Secretary's judgment, makes the area a worthy addition to the system.

1 Before submitting any proposal to the Governor or the General Assembly for the addition to the
2 system of a river or segment of a river, the Secretary or his authorized representative, shall hold a
3 public hearing in the county or counties where said river or segment of river is situated. Notice of
4 such public hearing shall be given by publishing a notice once each week for two consecutive
5 weeks in a newspaper having general circulation in the county where said hearing is to be held, the
6 second of said notices appearing not less than 10 days before said hearing. Any person attending
7 said hearing shall be given an opportunity to be heard. Notwithstanding the provisions of the
8 foregoing, no public hearing shall be required with respect to a river bounded solely by the property
9 of one owner, who consents in writing to the addition of such river to the system.

10 The Department shall also conduct an investigation on the feasibility of the inclusion of a river
11 or a segment of river within the system and file a written report with the Governor when submitting
12 a proposal.

13 The Department shall also, before submitting such a proposal to the Governor or the General
14 Assembly, notify in writing the owner, lessee, or tenant of any lands adjoining said river or segment
15 of river of its intention to make such proposal. In the event the Department, after due diligence, is
16 unable to determine the owner or lessee of any such land, the Department may publish a notice for
17 four successive weeks in a newspaper having general circulation in the county where the land is
18 situated of its intention to make a proposal to the Governor or General Assembly for the addition of
19 a river or segment of river to the system.

20 ~~(e)~~(d) Upon receipt of a request in the form of a resolution from the commissioners of the
21 county or counties in which a river segment is located and upon studying the segment and
22 determining that it meets the criteria set forth in ~~G.S. 113A-35~~, ~~G.S. 143B-135.150~~, the Secretary
23 may designate the segment a potential component of the natural and scenic rivers system. The
24 designation as a potential component shall be transmitted to the Governor and all appropriate State
25 agencies. Any segment so designated is subject to the provisions of this ~~Article-Part~~ applicable to
26 designated rivers, except for acquisition by condemnation or otherwise, and to any rules adopted
27 pursuant to this ~~Article-Part~~. The Secretary shall make a full report and, if appropriate, a proposal
28 for an addition to the natural and scenic rivers system to the General Assembly within 90 days after
29 the convening of the next session following issuance of the designation, and the General Assembly
30 shall determine whether to designate the segment as a component of the natural and scenic rivers
31 system. If the next session of the General Assembly fails to take affirmative action on the
32 designation, the designation as a potential component shall expire.

33 ~~(d)~~(e) The Department may adopt rules to implement this ~~Article-Part~~.
34 **"§ 143B-135.158. Raising the status of an area.**

35 Whenever in the judgment of the Secretary of the Department a scenic river segment has been
36 sufficiently restored and enhanced in its natural scenic and recreational qualities, such segment may
37 be reclassified with the approval of the Department, to a natural river area status and thereafter
38 administered accordingly.

39 **"§ 143B-135.160. Land acquisition.**

40 (a) The Department of Administration is authorized to acquire for the Department, within
41 the boundaries of a river or segment of river as set out in ~~G.S. 113A-35~~ ~~G.S. 143B-135.150~~ on
42 behalf of the State of North Carolina, lands in fee title or a lesser interest in land, preferably "scenic
43 easements." Acquisition of land or interest therein may be by donation, purchase with donated or
44 appropriated funds, exchange or otherwise.

45 (b) The Department of Administration in acquiring real property or a property interest
46 therein as set out in this ~~Article-Part~~ shall have and may exercise the power of eminent domain in
47 accordance with Article 3 of Chapter 40A of the General Statutes.

48 **"§ 143B-135.162. Claim and allowance of charitable deduction for contribution or gift of
49 easement.**

50 The contribution or donation of a "scenic easement," right-of-way or any other easement or
51 interest in land to the State of North Carolina, as provided in this ~~Article-Part~~, shall be deemed a

1 contribution to the State of North Carolina within the provisions of G.S. 105-130.9 and section
2 170(c)(1) of the Internal Revenue Code. The value of the contribution or donation shall be the fair
3 market value of the easement or other interest in land when the contribution or donation is made.

4 **"§ 143B-135.164. Component as part of State park, wildlife refuge, etc.**

5 Any component of the State natural and scenic rivers system that is or shall become a part of
6 any State park, wildlife refuge, or state-owned area shall be subject to the provisions of this ~~Article~~
7 ~~Part~~ and the ~~Articles-laws~~ under which the other areas may be administered, and in the case of
8 conflict between the provisions of these ~~Articles-laws~~, the more restrictive provisions shall apply.

9 **"§ 143B-135.166. Component as part of national wild and scenic river system.**

10 Nothing in this ~~Article-Part~~ shall preclude a river or segment of a river from becoming part of
11 the national wild and scenic river system. The Secretary ~~of the Department~~ is directed to encourage
12 and assist any federal studies for the inclusion of North Carolina rivers in the national system. The
13 Secretary may enter into cooperative agreements for joint federal-state administration of a North
14 Carolina river or segment of river: Provided, that such agreements relating to water and land use are
15 not less restrictive than the requirements of this ~~Article-Part~~.

16 **"§ 143B-135.168. Violations.**

17 (a) Civil Action. – Whoever violates, fails, neglects or refuses to obey any provision of this
18 ~~Article-Part~~ or rule or order of the Secretary may be compelled to comply with or obey the same by
19 injunction, mandamus, or other appropriate remedy.

20 (b) Penalties. – Whoever violates, fails, neglects or refuses to obey any provision of this
21 ~~Article-Part~~ or rule or order of the Secretary is guilty of a Class 3 misdemeanor and may be
22 punished only by a fine of not more than fifty dollars (\$50.00) for each violation, and each day such
23 person shall fail to comply, where feasible, after having been officially notified by the Department
24 shall constitute a separate offense subject to the foregoing penalty.

25 **"§ 143B-135.170. Authorization of advances.**

26 The Department of Administration is hereby authorized to advance from land-purchase
27 appropriations necessary amounts for the purchase of land in those cases where reimbursement will
28 be later effected by the Bureau of Outdoor Recreation of the United States Department of the
29 Interior.

30 **"§ 143B-135.172. Restrictions on project works on natural or scenic river.**

31 The State Utilities Commission may not permit the construction of any dam, water conduit,
32 reservoir, powerhouse transmission line, or any other project works on or directly affecting any
33 river that is designated as a component or potential component of the State Natural and Scenic
34 Rivers System. No department or agency of the State may assist by loan, grant, license, permit, or
35 otherwise in the construction of any water resources project that would have a direct and adverse
36 effect on any river that is designated as a component or potential component of the State Natural
37 and Scenic Rivers System. This section shall not, however, preclude licensing of or assistance to a
38 development below or above a designated or potential component. No department or agency of the
39 State may recommend authorization of any water resources project that would have a direct and
40 adverse effect on any river that is designated as a component or potential component of the State
41 Natural and Scenic Rivers System, or request appropriations to begin construction of any such
42 project, regardless of when authorized, without advising the Secretary in writing of its intention to
43 do so at least 60 days in advance. Such department or agency making such recommendation or
44 request shall submit a written impact statement to the General Assembly to accompany the
45 recommendation or request specifically describing how construction of the project would be in
46 conflict with the purposes of this act and how it would affect the component or potential
47 component."

48 **SECTION 14.30.(n)** Part 37 of Article 2 of Chapter 143B of the General Statutes, as
49 recodified by subsection (g) of this section, reads as rewritten:

50 "Part 37. Division of North Carolina Aquariums.

51 **"§ 143B-135.180. Division of North Carolina Aquariums – creation.**

The Division of North Carolina Aquariums is created in the Department of ~~Environment and~~
Natural ~~and Cultural~~ Resources.

"§ 143B-135.182. Division of North Carolina Aquariums – organization; powers and duties.

(a) The Division of North Carolina Aquariums shall be organized as prescribed by the
Secretary of ~~Environment and~~ Natural ~~and Cultural~~ Resources and shall exercise the following
powers and duties:

~~(1)~~ ~~Repealed by Session Laws 1991, c. 320, s. 3.~~

~~(1a)~~(1) Establish and maintain the North Carolina Aquariums.

~~(1b)~~(2) Administer the operations of the North Carolina Aquariums, such administrative
duties to include, but not be limited to the following:

- a. Adopt goals and objectives for the Aquariums and review and revise
these goals and objectives periodically.
- b. Review and approve requests for use of the Aquarium facilities and
advise the Secretary of ~~Environment and~~ Natural ~~and Cultural~~ Resources
on the most appropriate use consistent with the goals and objectives of
the Aquariums.
- c. Continually review and evaluate the types of projects and programs being
carried out in the Aquarium facilities and determine if the operation of the
facilities is in compliance with the established goals and objectives.
- d. Recommend to the Secretary of ~~Environment and~~ Natural ~~and Cultural~~
Resources any policies and procedures needed to assure effective staff
performance and proper liaison among Aquarium facilities in carrying out
the overall purposes of the Aquarium programs.
- e. Review Aquarium budget submissions to the Secretary of Environment
and Natural Resources.
- f. Recruit and recommend to the Secretary of ~~Environment and~~ Natural ~~and~~
~~Cultural~~ Resources candidates for the positions of directors of the
Aquariums.
- g. Create local advisory committees in accordance with the provisions of
~~G.S. 143B-289.43.~~G.S. 143B-135.186.

~~(1e)~~(3) Notwithstanding Article 3A of Chapter 143 of the General Statutes, and
G.S. 143-49(4), dispose of any exhibit, exhibit component, or object from the
collections of the North Carolina Aquariums by sale, lease, or trade. A sale,
lease, or trade under this subdivision shall be conducted in accordance with
generally accepted practices for zoos and aquariums that are accredited by the
American Association of Zoos and Aquariums. After deducting the expenses
attributable to the sale or lease, the net proceeds of any sale or lease shall be
credited to the North Carolina Aquariums Fund.

~~(2), (3)~~ ~~Repealed by Session Laws 1993, c. 321, s. 28(e).~~

~~(4)~~ ~~through (6)~~ ~~Repealed by Session Laws 1991, c. 320, s. 3.~~

~~(7)~~ Assume any other powers and duties assigned to it by the Secretary.

(b) The Secretary may adopt any rules and procedures necessary to implement this section.
"§ 143B-135.184. North Carolina Aquariums; purpose.

The purpose of establishing and maintaining the North Carolina Aquariums is to promote an
awareness, understanding, and appreciation of the diverse natural and cultural resources associated
with North Carolina's oceans, estuaries, rivers, streams, and other aquatic environments.

"§ 143B-135.186. Local advisory committees; duties; membership.

Local advisory committees created pursuant to ~~G.S. 143B-289.41(a)(1b)~~
G.S. 143B-135.182(a)(2) shall assist each North Carolina Aquarium in its efforts to establish
projects and programs and to assure adequate citizen-consumer input into those efforts. Members of
these committees shall be appointed by the Secretary of ~~Environment and~~ Natural ~~and Cultural~~

Resources for three-year terms from nominations made by the Director of the Office of Marine Affairs. Each committee shall select one of its members to serve as chairperson. Members of the committees shall serve without compensation for services or expenses.

"§ 143B-135.188. North Carolina Aquariums; fees; fund.

(a) Fees. – The Secretary of ~~Environment and~~ Natural and Cultural Resources may adopt a schedule of fees for the aquariums and piers operated by the North Carolina Aquariums, including:

- (1) Gate admission fees.
- (2) Facility rental fees.
- (3) Educational programs.

(b) Fund. – The North Carolina Aquariums Fund is hereby created as a special ~~and nonreverting~~ fund. The North Carolina Aquariums Fund shall be used for the following:

- (1) ~~repair, Repair,~~ renovation, expansion, maintenance, and educational exhibit ~~construction, and operational expenses~~ construction at existing ~~aquariums,~~ aquariums.
- (2) ~~to pay~~ Payment of the debt service and lease payments related to the financing of expansions of ~~aquariums,~~ aquariums.
- (3) ~~and to match~~ Matching of private funds that are raised for these purposes.

(c) Disposition of Fees. – All entrance fee receipts shall be credited to the ~~North Carolina Aquariums Fund. Receipts so credited that are necessary to support the personnel and operational expenses of the aquariums shall be transferred to the~~ aquariums' General Fund operating ~~budget on a monthly basis.~~ budget. In each fiscal year, the Secretary may transfer the receipts from the North Carolina aquariums' General Fund to the North Carolina Aquariums Fund in an amount not to exceed the sum of the following:

- (1) One million dollars (\$1,000,000).
- (2) The amount needed to cover the expenses described by subdivision (2) of subsection (b) this section.

(d) Approval. – The Secretary may approve the use of the North Carolina Aquariums Fund for repair and renovation projects at the aquariums related facilities that comply with the following:

- (1) The total project cost is less than two hundred fifty thousand dollars (\$250,000).
- (2) The project meets the requirements of G.S. 143C-4-3(b).

~~(d)(e)~~ Report. – The Division of North Carolina Aquariums shall submit to the ~~Joint Legislative Commission on Governmental Operations,~~ the House and Senate Appropriations Subcommittees on Natural and Economic Resources, ~~appropriations committees with jurisdiction over natural and economic resources,~~ and the Fiscal Research Division by September 30 of each year a report on the North Carolina Aquariums Fund that shall include the source and amounts of all funds credited to the Fund and the purpose and amount of all expenditures from the Fund during the prior fiscal year.

...."

SECTION 14.30.(o) Part 38 of Article 2 of Chapter 143B of the General Statutes, as recodified by subsection (h) of this section, reads as rewritten:

"Part 38. North Carolina Parks and Recreation Authority.

"§ 143B-135.200. North Carolina Parks and Recreation Authority; creation; powers and duties.

The North Carolina Parks and Recreation Authority is created, to be administered by the Department of ~~Environment and~~ Natural and Cultural Resources. The North Carolina Parks and Recreation Authority shall have at least the following powers and duties:

- (1) To receive public and private donations, appropriations, grants, and revenues for deposit into the Parks and Recreation Trust Fund.
- (2) To allocate funds for land acquisition from the Parks and Recreation Trust Fund.
- (3) To allocate funds for repairs, renovations, improvements, construction, and other capital projects from the Parks and Recreation Trust Fund.

- (4) To solicit financial and material support from public and private sources.
- (5) To develop effective public and private support for the programs and operations of the parks and recreation areas.
- (6) To consider and to advise the Secretary of ~~Environment and~~ Natural and Cultural Resources on any matter the Secretary may refer to the North Carolina Parks and Recreation Authority.

"§ 143B-135.202. North Carolina Parks and Recreation Authority; members; selection; compensation; meetings.

(a) Membership. – The North Carolina Parks and Recreation Authority shall consist of nine members. The members shall include persons who are knowledgeable about park and recreation issues in North Carolina or with expertise in finance. In making appointments, each appointing authority shall specify under which subdivision of this subsection the person is appointed. Members shall be appointed as follows:

- (1) One member appointed by the Governor.
- (2) One member appointed by the Governor.
- (3) One member appointed by the Governor.
- ~~(3a) Repealed by Session Laws 2013-360, s. 14.5(a), effective July 1, 2013.~~
- ~~(3b) Repealed by Session Laws 2013-360, s. 14.5(a), effective July 1, 2013.~~
- (4) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, as provided in G.S. 120-121.
- (5) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, as provided in G.S. 120-121.
- (6) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, as provided in G.S. 120-121.
- ~~(7) Repealed by Session Laws 2013-360, s. 14.5(a), effective July 1, 2013.~~
- ~~(7a) Repealed by Session Laws 2013-360, s. 14.5(a), effective July 1, 2013.~~
- ~~(8)(7)~~ One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, as provided in G.S. 120-121.
- ~~(9)(8)~~ One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, as provided in G.S. 120-121.
- ~~(10)(9)~~ One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, as provided in G.S. 120-121.
- ~~(11) Repealed by Session Laws 2013-360, s. 14.5(a), effective July 1, 2013.~~
- ~~(12) Repealed by Session Laws 2013-360, s. 14.5(a), effective July 1, 2013.~~

(b) Terms. – Members shall serve staggered terms of office of three years. Members shall serve no more than two consecutive three-year terms. After serving two consecutive three-year terms, a member is not eligible for appointment to the Authority for at least one year after the expiration date of that member's most recent term. Upon the expiration of a three-year term, a member may continue to serve until a successor is appointed and duly qualified as provided by G.S. 128-7. The terms of members appointed under subdivision (1), (5), or ~~(9)-(8)~~ of subsection (a) of this section shall expire on July 1 of years that are evenly divisible by three. The terms of members appointed under subdivision (2), (4), or ~~(8)-(7)~~ of subsection (a) of this section shall expire on July 1 of years that follow by one year those years that are evenly divisible by three. The terms of members appointed under subdivision (3), (6), or ~~(10)-(9)~~ of subsection (a) of this section shall expire on July 1 of years that precede by one year those years that are evenly divisible by three.

(c) Chair. – The Governor shall appoint one member of the North Carolina Parks and Recreation Authority to serve as Chair.

(d) Vacancies. – A vacancy on the North Carolina Parks and Recreation Authority shall be filled by the appointing authority responsible for making the appointment to that position as provided in subsection (a) of this section. An appointment to fill a vacancy shall be for the unexpired balance of the term.

(e) Removal. – The Governor may remove, as provided in Article 10 of Chapter 143C of the General Statutes any member of the North Carolina Parks and Recreation Authority appointed by the Governor for misfeasance, malfeasance, or nonfeasance. The General Assembly may remove any member of the North Carolina Parks and Recreation Authority appointed by the General Assembly for misfeasance, malfeasance, or nonfeasance.

(f) Compensation. – The members of the North Carolina Parks and Recreation Authority shall receive per diem and necessary travel and subsistence expenses according to the provisions of G.S. 138-5.

(g) Meetings. – The North Carolina Parks and Recreation Authority shall meet at least quarterly at a time and place designated by the Chair.

(h) Quorum. – A majority of the North Carolina Parks and Recreation Authority shall constitute a quorum for the transaction of business.

(i) Staff. – All clerical and other services required by the North Carolina Parks and Recreation Authority shall be provided by the Secretary of ~~Environment and~~ Natural and Cultural Resources."

SECTION 14.30.(p) Part 39 of Article 2 of Chapter 143B of the General Statutes, as recodified by subsection (i) of this section, reads as rewritten:

"Part 39. North Carolina Zoological Park Council.

"§ 143B-135.205. North Carolina Zoological Park Council – creation; powers and duties.

There is hereby created the North Carolina Zoological Park Council of the Department of ~~Environment and~~ Natural and Cultural Resources. The North Carolina Zoological Park Council shall have the following functions and duties:

(1) To advise the Secretary on the basic concepts of and for the Zoological Park, approve conceptual plans for the Zoological Park and its ~~buildings; buildings.~~

(2) To advise on the construction, furnishings, equipment and operations of the North Carolina Zoological ~~Park; Park.~~

~~(2a)~~(3) To establish and set admission fees with the approval of the Secretary of ~~Environment and~~ Natural and Cultural Resources as provided in ~~G.S. 143-177.3(b);~~ G.S. 143B-135.213.

~~(3)~~(4) To recommend programs to promote public appreciation of the North Carolina Zoological ~~Park; Park.~~

~~(4)~~(5) To disseminate information on animals and the park as deemed ~~necessary; necessary.~~

~~(5)~~(6) To develop effective public support of the North Carolina Zoological Park through whatever means are desirable and ~~necessary; necessary.~~

~~(6)~~(7) To solicit financial and material support from various private sources within and without the State of North ~~Carolina; and~~ Carolina.

~~(7)~~(8) To advise the Secretary of ~~Environment and~~ Natural and Cultural Resources upon any matter the Secretary may refer to it.

"§ 143B-135.207. North Carolina Zoological Park Council – members; selection; removal; chairman; compensation; quorum; services.

The North Carolina Zoological Park Council of the Department of ~~Environment and~~ Natural and Cultural Resources shall consist of 15 members appointed by the Governor, one of whom shall be the Chairman of the Board of Directors of the North Carolina Zoological Society.

~~The initial members of the Council shall be the members of the Board of Directors of the North Carolina Zoo Authority who shall serve for a period equal to the remainder of their current terms on the Board of Directors of the North Carolina Zoological Authority, all of whose terms expire July 15, 1975.~~ At the end of the respective terms of office of the initial members of the Council, the Governor, to achieve staggered terms, shall appoint five members for terms of two years, five members for terms of four years and five members for terms of six years. Thereafter, the appointment of their successors shall be for terms of six years and until their successors are

1 appointed and qualify. Any appointment to fill a vacancy on the Council created by the resignation,
2 dismissal, death or disability of a member shall be for the balance of the unexpired term.

3 The Governor shall have the power to remove any member of the Council from office in
4 accordance with the provisions of G.S. 143B-16 of the Executive Organization Act of 1973.

5 The Governor shall designate a member of the Council to serve as chairman at his pleasure.

6 Members of the Council shall receive per diem and necessary travel and subsistence expenses in
7 accordance with the provisions of G.S. 138-5.

8 A majority of the Council shall constitute a quorum for the transaction of business.

9 All clerical and other services required by the Council shall be supplied by the Secretary of
10 ~~Environment and Natural~~ and Cultural Resources.

11 **"§ 143B-135.209. ~~Special North Carolina Zoo Fund.~~**

12 ~~A special continuing and nonreverting fund, to be called the Special Zoo Fund, is created. The~~
13 ~~North Carolina Zoological Park shall retain unbudgeted receipts at the end of each fiscal year,~~
14 ~~beginning June 30, 1989, and deposit these receipts into this Fund. This Fund shall be used for~~
15 ~~maintenance, repairs, and renovations of exhibits in existing habitat clusters and visitor services~~
16 ~~facilities, construction of visitor services facilities and support facilities such as greenhouses and~~
17 ~~temporary animal holding areas, for the replacement of tram equipment as required to maintain~~
18 ~~adequate service to the public, and for marketing the Zoological Park. The Special Zoo Fund may~~
19 ~~also be used to match private funds that are raised for these purposes. Funds may be expended for~~
20 ~~these purposes by the Department of Environment and Natural Resources on the advice of the North~~
21 ~~Carolina Zoological Park Council and with the approval of the Office of State Budget and~~
22 ~~Management. The Department of Environment and Natural Resources shall provide a report on or~~
23 ~~before October 1 of each year to the Office of State Budget and Management, the Fiscal Research~~
24 ~~Division of the General Assembly, and to the Joint Legislative Commission on Governmental~~
25 ~~Operations on the use of fees collected pursuant to this section.~~

26 (a) Fund. – The North Carolina Zoo Fund is created as a special fund. The North Carolina
27 Zoo Fund shall be used for the following types of projects at the North Carolina Zoological Park
28 and to match private funds raised for these types of projects:

29 (1) Repair, renovation, expansion, maintenance, and educational exhibit
30 construction.

31 (2) Renovations of exhibits in habitat clusters, visitor services facilities, and support
32 facilities (including greenhouses and temporary animal holding areas).

33 (3) The acquisition, maintenance, or replacement of tram equipment as required to
34 maintain adequate service to the public.

35 (b) Disposition of Fees. – All fee receipts shall be credited to the North Carolina Zoological
36 Park's General Fund operating budget. In each fiscal year, the Secretary may transfer fee receipts
37 from the North Carolina Zoological Park's General Fund to the North Carolina Zoo Fund in an
38 amount not to exceed one million dollars (\$1,000,000).

39 (c) Approval. – The Secretary may approve the use of the North Carolina Zoo Fund for
40 repair and renovation projects at the North Carolina Zoological Park recommended by the Council
41 that comply with the following:

42 (1) The total project cost is less than two hundred fifty thousand dollars (\$250,000).

43 (2) The project meets the requirements of G.S. 143C-4-3(b).

44 (d) Report. – The Department shall submit to the House and Senate appropriations
45 committees with jurisdiction over natural and economic resources and the Fiscal Research Division
46 by September 30 of each year a report on the North Carolina Zoo Fund that shall include the source
47 and amounts of all funds credited to the Fund and the purpose and amount of all expenditures from
48 the Fund during the prior fiscal year."

49 **SECTION 14.30.(q)** G.S. 143B-135.210 through G.S. 143B-135.213, as recodified by
50 subsection (j) of this section, read as rewritten:

51 **"§ 143-135.210. Right to receive gifts.**

1 | In order to carry out the purposes of this ~~Article, Part~~, the ~~Board-Council~~ is authorized to acquire
2 | by gift or will, absolutely or in trust, from individuals, corporations, or any other source money or
3 | other property, or any interests in property, which may be retained, sold or otherwise used to
4 | promote the purposes of this ~~Article-Part~~. The use of gifts shall be subject to such limitations as
5 | may be imposed thereon by donors, notwithstanding any other provisions of this ~~Article-Part~~.

6 | **"§ 143-135.211. Tax exemption for gifts to North Carolina Zoological Park Fund-Park.**

7 | All gifts made to the North Carolina Zoological Park for the purposes of this ~~Article-Part~~ shall
8 | be exempt from every form of taxation including, but not by the way of limitation, ad valorem,
9 | intangible, gift, inheritance and income taxation. Proceeds from the sale of any property acquired
10 | under the provisions of this ~~Article-Part~~ shall be deposited in the North Carolina State treasury and
11 | shall be credited to the North Carolina Zoological Park.

12 | **"§ 143-135.212. Cities and counties.**

13 | Cities and counties are hereby authorized to expend funds derived from nontax sources and to
14 | make gifts of surplus property, to assist in carrying out the purposes of this ~~Article-Part~~.

15 | **"§ 143-135.213. Sources of funds.**

16 | (a) It is the intent of this ~~Article-Part~~ that the funds for the creation, establishment,
17 | construction, operation and maintenance of the North Carolina Zoological Park shall be obtained
18 | primarily from private sources; however, the Council under the supervision and approval and with
19 | the assistance of the Secretary of ~~Environment and-Natural~~ and Cultural Resources is hereby
20 | authorized to receive and expend such funds as may from time to time become available by
21 | appropriation or otherwise from the State of North Carolina; provided, that the ~~North Carolina~~
22 | ~~Zoological Park-Council~~ shall not in any manner pledge the faith and credit of the State of North
23 | Carolina for any of its purposes.

24 | (b) The Council with the approval of the Secretary of ~~Environment and-Natural~~ and Cultural
25 | Resources is authorized to establish and set admission fees which are reasonable and consistent with
26 | the purpose and function of the North Carolina Zoological Park."

27 | **SECTION 14.30.(r)** Part 40 of Article 2 of Chapter 143B of the General Statutes, as
28 | recodified by subsection (k) of this section, reads as rewritten:

29 | "Part 40. ~~Advisory Commission for~~ North Carolina State Museum of Natural Sciences.

30 | **"§ 143B-135.215. Commission created; membership.**

31 | There is created an Advisory Commission for the North Carolina State Museum of Natural
32 | Sciences which shall determine its own organization. It shall consist of at least nine members,
33 | which shall include the Director of the North Carolina State Museum of Natural Sciences, the
34 | Commissioner of Agriculture, the State Geologist and Secretary of ~~Environment and-Natural~~ and
35 | Cultural Resources, the Director of the Institute of Fisheries Research of the University of North
36 | Carolina, the Director of the Wildlife Resources Commission, the Superintendent of Public
37 | Instruction, or qualified representative of any or all of the above-named members, and at least three
38 | persons representing the East, the Piedmont, and the Western areas of the State. Members appointed
39 | by the Governor shall serve for four-year staggered terms. Terms shall begin on 1 September.
40 | Members appointed by the Governor shall not serve more than three consecutive four-year terms.
41 | Any member may be removed by the Governor for cause.

42 | ...

43 | **"§ 143B-135.221. Reports to General Assembly.**

44 | The Commission shall prepare and submit a report outlining the needs of the North Carolina
45 | State Museum of Natural Sciences and recommendations for improvement of the effectiveness of
46 | the North Carolina State Museum of Natural Sciences for the purpose hereinabove set forth to ~~the~~
47 | ~~1995 General Assembly, and to each succeeding the~~ General Assembly, to the Fiscal Research
48 | Division of the General Assembly, and to the Joint Legislative Commission on Governmental
49 | Operations on or before October 1 of each year.

50 | **"§ 143B-135.223. Museum of Natural Sciences; disposition of objects.**

1 Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other
2 law pertaining to surplus State property, the Department of ~~Environment and~~ Natural and Cultural
3 Resources may sell or exchange any object from the collection of the Museum of Natural Sciences
4 when it would be in the best interest of the Museum to do so. Sales or exchanges shall be conducted
5 in accordance with generally accepted practices for accredited museums. If an object is sold, the net
6 proceeds of the sale shall be deposited in the State treasury to the credit of a special fund to be used
7 for the improvement of the Museum's collections or exhibits.

8 **"§ 143B-135.225. Museum of Natural Sciences; fees; fund.**

9 (a) Fund. – The North Carolina Museum of Natural Sciences Fund is created as a special
10 fund. The North Carolina Museum of Natural Sciences Fund shall be used for repair, renovation,
11 expansion, maintenance, and educational exhibit construction at the North Carolina Museum of
12 Natural Sciences and to match private funds raised for these projects.

13 (b) Disposition of Fees. – All fee receipts shall be credited to the North Carolina Museum of
14 Natural Sciences' General Fund operating budget. In each fiscal year, the Secretary may transfer fee
15 receipts from the North Carolina Museum of Natural Sciences' General Fund to the North Carolina
16 Museum Fund in an amount not to exceed one million dollars (\$1,000,000).

17 (c) Approval. – The Secretary may approve the use of the North Carolina Museum of
18 Natural Sciences Fund for repair and renovation projects at the North Carolina Museum of Natural
19 Sciences recommended by the Advisory Council that comply with the following:

20 (1) The total project cost is less than two hundred fifty thousand dollars (\$250,000).

21 (2) The project meets the requirements of G.S. 143C-4-3(b).

22 (d) Report. – The Department shall submit to the House and Senate appropriations
23 committees with jurisdiction over natural and economic resources and the Fiscal Research Division
24 by September 30 of each year a report on the North Carolina Museum Fund that shall include the
25 source and amounts of all funds credited to the Fund and the purpose and amount of all
26 expenditures from the Fund during the prior fiscal year.

27 **"§ 143B-135.229. North Carolina ~~Museum of Forestry;~~ Museum of Natural Sciences at**
28 **Whiteville; satellite museum.**

29 The Department of ~~Environment and~~ Natural and Cultural Resources shall establish and
30 administer the North Carolina Museum of ~~Forestry-Museum of Natural Sciences at Whiteville~~ in
31 Columbus County as a satellite museum of the North Carolina State Museum of Natural Sciences."

32
33 **CHANGES TO STATUTORY REFERENCES TO DEPARTMENTS**

34 **SECTION 14.30.(s)** The following statutes are amended by deleting the language
35 "Department of Cultural Resources" wherever it appears and substituting "Department of Natural
36 and Cultural Resources": G.S. 7A-343.1, G.S. 7B-3000, G.S. 8-6, G.S. 8-7, G.S. 8-34, G.S. 14-76.1,
37 G.S. 15C-7, G.S. 20-79.4, G.S. 20-81.12, G.S. 62-102, G.S. 65-85, G.S. 70-2, G.S. 70-13,
38 G.S. 70-13.1, G.S. 70-16, G.S. 70-18, G.S. 70-19, G.S. 70-20, G.S. 70-28, G.S. 70-31, G.S. 70-48,
39 G.S. 70-49, G.S. 70-50, G.S. 70-51, G.S. 70-52, G.S. 75D-5, G.S. 97-24, G.S. 100-2, G.S. 102-17,
40 G.S. 105-129.36A, G.S. 105-256, G.S. 111-28, G.S. 111-47.2, G.S. 115C-218.25, G.S. 120-37,
41 G.S. 121-2, G.S. 121-3, G.S. 121-4, G.S. 121-4.1, G.S. 121-5, G.S. 121-5.1, G.S. 121-6, G.S. 121-7,
42 G.S. 121-7.1, G.S. 121-7.2, G.S. 121-7.3, G.S. 121-7.4, G.S. 121-7.5, G.S. 121-7.6, G.S. 121-8,
43 G.S. 121-9, G.S. 121-9.1, G.S. 121-10, G.S. 121-11, G.S. 121-12, G.S. 121-12.1, G.S. 121-12.2,
44 G.S. 121-13, G.S. 121-14, G.S. 121-15, G.S. 121-16, G.S. 121-18, G.S. 121-20, G.S. 121-23,
45 G.S. 121-24, G.S. 121-25, G.S. 121-25.1, G.S. 121-26, G.S. 121-27, G.S. 125-1, G.S. 125-2,
46 G.S. 125-5, G.S. 125-7, G.S. 125-8, G.S. 125-10, G.S. 125-11.8, G.S. 125-14, G.S. 126-5,
47 G.S. 130A-93, G.S. 132-3, G.S. 132-4, G.S. 132-8, G.S. 132-8.1, G.S. 132-8.2, G.S. 136-42.1,
48 G.S. 136-42.2, G.S. 136-42.3, G.S. 136-43.1, G.S. 140-5.12, G.S. 140-5.13, G.S. 140-5.14,
49 G.S. 142-13, G.S. 143-138, G.S. 143-268, G.S. 143-300, G.S. 143-406, G.S. 143-410,
50 G.S. 143-411, G.S. 143-431, G.S. 143-432, G.S. 143-640, G.S. 143-641, G.S. 143-642,
51 G.S. 143-675, G.S. 143-676, G.S. 143-677, G.S. 143B-2, G.S. 143B-6, G.S. 143B-49,

1 G.S. 143B-51, G.S. 143B-53.1, G.S. 143B-53.2, G.S. 143B-53.3, G.S. 143B-62, G.S. 143B-63,
2 G.S. 143B-67, G.S. 143B-68, G.S. 143B-71, G.S. 143B-72, G.S. 143B-73, G.S. 143B-73.1,
3 G.S. 143B-74, G.S. 143B-74.2, G.S. 143B-79, G.S. 143B-85, G.S. 143B-87.2, G.S. 143B-90,
4 G.S. 143B-95, G.S. 143B-111, G.S. 143B-121, G.S. 143B-123, G.S. 143B-124, G.S. 143B-125,
5 G.S. 143B-126, G.S. 143B-127, G.S. 143B-131.1, G.S. 143B-131.2, G.S. 143B-131.8A,
6 G.S. 143B-131.9, G.S. 143B-133, G.S. 143B-135, G.S. 143B-181, G.S. 143B-417, G.S. 143B-948,
7 G.S. 150B-1, G.S. 153A-266, G.S. 153A-373, G.S. 160A-400.4, G.S. 160A-400.6, G.S. 160A-433,
8 G.S. 161-11.5, G.S. 163-82.10, G.S. 163-278.22, G.S. 163-278.30. In any other instances in the
9 General Statutes in which there is a reference to the Department of Cultural Resources or a
10 derivative thereof, the Revisor of Statutes may replace that reference with a reference to the
11 Department of Natural and Cultural Resource, as appropriate.

12 **SECTION 14.30.(t)** The following statutes are amended by deleting the language
13 "Secretary of Cultural Resources" wherever it appears and substituting "Secretary of Natural and
14 Cultural Resources": G.S. 20-79.5, G.S. 47-16.5, G.S. 116B-70, G.S. 121-2, G.S. 121-9,
15 G.S. 121-10, G.S. 121-12.2, G.S. 125-2, G.S. 125-9, G.S. 125-11.11, G.S. 132-8, G.S. 136-43.1,
16 G.S. 140-5.14, G.S. 140-5.15, G.S. 143-200, G.S. 143-201, G.S. 143-204.8, G.S. 143-675,
17 G.S. 143-676, G.S. 143B-52, G.S. 143B-62, G.S. 143B-63, G.S. 143B-72, G.S. 143B-74,
18 G.S. 143B-74.1, G.S. 143B-79, G.S. 143B-80, G.S. 143B-83, G.S. 143B-84, G.S. 143B-87,
19 G.S. 143B-88, G.S. 143B-90, G.S. 143B-91, G.S. 143B-97, G.S. 143B-98, G.S. 143B-99,
20 G.S. 143B-101, G.S. 143B-102, G.S. 143B-105, G.S. 143B-106, G.S. 143B-109, G.S. 143B-110,
21 G.S. 143B-114, G.S. 143B-115, G.S. 143B-131.2, G.S. 143B-133, G.S. 143B-135, G.S. 147-54.3,
22 G.S. 153A-267. In any other instances in the General Statutes in which there is a reference to the
23 Secretary of Cultural Resources or a derivative thereof, the Revisor of Statutes may replace that
24 reference with a reference to the Secretary of Natural and Cultural Resources, as appropriate.

25 **SECTION 14.30.(u)** The following statutes are amended by deleting the language
26 "Department of Environment and Natural Resources" wherever it appears and substituting
27 "Department of Environmental Quality": G.S. 14-86.2, G.S. 14-137, G.S. 15A-1343, G.S. 18B-902,
28 G.S. 20-85, G.S. 20-128, G.S. 20-183.7, G.S. 62-102, G.S. 62-110.1, G.S. 62-133.6, G.S. 62-133.8,
29 G.S. 62-302.1, G.S. 69-25.5, G.S. 74-38, G.S. 74-49, G.S. 74-53, G.S. 74-76, G.S. 75A-17,
30 G.S. 76-40, G.S. 77-90, G.S. 77-95, G.S. 77-114, G.S. 77-125, G.S. 77-127, G.S. 77-141,
31 G.S. 77-142, G.S. 87-85, G.S. 87-95, G.S. 87-97, G.S. 87-98.2, G.S. 90A-21, G.S. 90A-25,
32 G.S. 90A-47.3, G.S. 95-225, G.S. 100-2, G.S. 104E-7, G.S. 104E-15, G.S. 104E-24, G.S. 105-122,
33 G.S. 105-129.81, G.S. 105-130.10, G.S. 105-187.24, G.S. 105-187.63, G.S. 105-259, G.S. 105-275,
34 G.S. 105-277.13, G.S. 105-449.107, G.S. 106-24, G.S. 106-143, G.S. 106-678, G.S. 106-762,
35 G.S. 106-805, G.S. 106-806, G.S. 106-860, G.S. 110-92, G.S. 110-142.2, G.S. 113-1, G.S. 113-3,
36 G.S. 113-8, G.S. 113-8.01, G.S. 113-14.1, G.S. 113-14.3, G.S. 113-16, G.S. 113-17, G.S. 113-18,
37 G.S. 113-19, G.S. 113-20, G.S. 113-21, G.S. 113-25, G.S. 113-26.1, G.S. 113-128, G.S. 113-168,
38 G.S. 113-174, G.S. 113-251, G.S. 113-300.6, G.S. 113-378, G.S. 113-389, G.S. 113-425,
39 G.S. 113A-52, G.S. 113A-103, G.S. 113A-104, G.S. 113A-113, G.S. 113A-118, G.S. 113A-129.2,
40 G.S. 113A-134.11, G.S. 113A-134.12, G.S. 113A-153, G.S. 113A-164.12, G.S. 113A-167,
41 G.S. 113A-168, G.S. 113A-169, G.S. 113A-170, G.S. 113A-221, G.S. 113A-230, G.S. 113A-231,
42 G.S. 113A-232, G.S. 113A-235, G.S. 113A-253, G.S. 113A-255, G.S. 113B-2, G.S. 113B-6,
43 G.S. 113B-11, G.S. 113B-30, G.S. 115C-522, G.S. 120-70.43, G.S. 120-76, G.S. 121-4, G.S. 126-5,
44 G.S. 128-1.1, G.S. 130A-1.1, G.S. 130A-4, G.S. 130A-24, G.S. 130A-26.1, G.S. 130A-33.50,
45 G.S. 130A-47, G.S. 130A-131.7, G.S. 130A-290, G.S. 130A-295.9, G.S. 130A-301,
46 G.S. 130A-309.14, G.S. 130A-309.140, G.S. 130A-310.60, G.S. 130A-313, G.S. 130A-336,
47 G.S. 130A-481, G.S. 136-21, G.S. 136-28.8, G.S. 136-44.7B, G.S. 136-44.7D, G.S. 136-44.36D,
48 G.S. 136-123, G.S. 136-202, G.S. 139-8, G.S. 139-46, G.S. 143-58.2, G.S. 143-58.4,
49 G.S. 143-64.11, G.S. 143-64.12, G.S. 143-64.17F, G.S. 143-64.17G, G.S. 143-64.17H,
50 G.S. 143-138, G.S. 143-166.13, G.S. 143-211, G.S. 143-212, G.S. 143-214.7A, G.S. 143-214.8,
51 G.S. 143-214.13, G.S. 143-214.25A, G.S. 143-215.8D, G.S. 143-215.9B, G.S. 143-215.9C,

G.S. 143-215.73A, G.S. 143-215.77, G.S. 143-215.94I, G.S. 143-215.94L, G.S. 143-215.94HH, G.S. 143-215.107B, G.S. 143-215.107C, G.S. 143-228.10, G.S. 143-240, G.S. 143-252, G.S. 143-253, G.S. 143-286.1, G.S. 143-289, G.S. 143-320, G.S. 143-323, G.S. 143-350, G.S. 143-355, G.S. 143-355.2, G.S. 143-436, G.S. 143-439, G.S. 143B-2, G.S. 143B-6, G.S. 143B-131.2, G.S. 143B-181, G.S. 143B-279.1, G.S. 143B-279.2, G.S. 143B-279.3, G.S. 143B-279.4, G.S. 143B-279.5, G.S. 143B-279.7, G.S. 143B-279.8, G.S. 143B-279.9, G.S. 143B-279.10, G.S. 143B-279.11, G.S. 143B-279.12, G.S. 143B-279.13, G.S. 143B-279.14, G.S. 143B-279.15, G.S. 143B-279.16, G.S. 143B-279.17, G.S. 143B-281.1, G.S. 143B-282, G.S. 143B-282.1, G.S. 143B-283, G.S. 143B-284, G.S. 143B-285, G.S. 143B-285.22, G.S. 143B-289.50, G.S. 143B-289.51, G.S. 143B-289.52, G.S. 143B-289.61, G.S. 143B-290, G.S. 143B-293.1, G.S. 143B-298, G.S. 143B-299, G.S. 143B-300, G.S. 143B-301, G.S. 143B-301.1, G.S. 143B-301.10, G.S. 143B-324.1, G.S. 143B-324.2, G.S. 143B-344.34, G.S. 143B-344.35, G.S. 143B-344.36, G.S. 143B-344.37, G.S. 143B-344.38, G.S. 143B-344.44, G.S. 143B-344.50, G.S. 143B-344.55, G.S. 143B-417, G.S. 143B-431.01, G.S. 143B-437, G.S. 143B-437.01, G.S. 146-8, G.S. 147-33.104A, G.S. 148-10, G.S. 150B-1, G.S. 150B-19.3, G.S. 153A-136, G.S. 153A-226, G.S. 153A-421, G.S. 156-59, G.S. 156-74, G.S. 156-76, G.S. 156-83, G.S. 159G-20, G.S. 159C-7, G.S. 159D-7, G.S. 159G-70, G.S. 159I-3, G.S. 162A-23, G.S. 162A-24, G.S. 162A-25, G.S. 162A-29, G.S. 162A-30, G.S. 162A-33, G.S. 162A-35, G.S. 166A-19.3, G.S. 166A-26. In any other instances in the General Statutes in which there is a reference to the Department of Environment and Natural Resources or a derivative thereof, the Revisor of Statutes may replace that reference with a reference to the Department of Environmental Quality, as appropriate.

SECTION 14.30.(v) The following statutes are amended by deleting the language "Secretary of Environment and Natural Resources" wherever it appears and substituting "Secretary of Environmental Quality": G.S. 7A-29, G.S. 20-79.5, G.S. 47C-3-122, G.S. 47F-3-122, G.S. 58-78-1, G.S. 62-133.6, G.S. 68-43, G.S. 77-95, G.S. 77-114, G.S. 77-130, G.S. 87-94, G.S. 87-95, G.S. 87-98.2, G.S. 90A-21, G.S. 90A-22, G.S. 90A-23, G.S. 90A-24, G.S. 90A-25.1, G.S. 90A-28, G.S. 90A-30, G.S. 90A-37, G.S. 90A-38, G.S. 90A-39, G.S. 90A-43, G.S. 104E-5, G.S. 104E-17, G.S. 105-129.83, G.S. 105-187.84, G.S. 105-259, G.S. 106-744, G.S. 113-1, G.S. 113-128, G.S. 113-182.1, G.S. 113-221.4, G.S. 113-300.7, G.S. 113A-24, G.S. 113A-52, G.S. 113A-103, G.S. 113A-107, G.S. 113A-115.1, G.S. 113A-164.3, G.S. 113A-166, G.S. 113A-208, G.S. 113A-212, G.S. 113A-221, G.S. 113A-234, G.S. 113A-241, G.S. 113A-258, G.S. 113A-259, G.S. 113B-2, G.S. 113B-3, G.S. 120-150, G.S. 130A-4, G.S. 130A-17, G.S. 130A-18, G.S. 130A-19, G.S. 130A-20, G.S. 130A-22, G.S. 130A-23, G.S. 130A-27, G.S. 130A-47, G.S. 130A-290, G.S. 130A-301, G.S. 130A-313, G.S. 130A-334, G.S. 136-102.3, G.S. 143-58.4, G.S. 143-212, G.S. 143-215.8D, G.S. 143-215.18, G.S. 143-215.22L, G.S. 143-215.40, G.S. 143-215.70, G.S. 143-215.77, G.S. 143-215.86, G.S. 143-215.94HH, G.S. 143-215.107D, G.S. 143-215.126, G.S. 143-243, G.S. 143-320, G.S. 143-726, G.S. 143B-86, G.S. 143B-115, G.S. 143B-279.4, G.S. 143B-279.5, G.S. 143B-279.7, G.S. 143B-279.8, G.S. 143B-281.1, G.S. 143B-282.1, G.S. 143B-283, G.S. 143B-285.23, G.S. 143B-289.50, G.S. 143B-289.53, G.S. 143B-291, G.S. 143B-293.2, G.S. 143B-300, G.S. 143B-301, G.S. 143B-324.1, G.S. 143B-407, G.S. 143B-411.1, G.S. 143B-426.25, G.S. 143B-431.01, G.S. 148-26, G.S. 153A-301, G.S. 158-7.3, G.S. 159G-20, G.S. 159I-7, G.S. 160A-515.1, G.S. 162A-33, G.S. 162A-35. In any other instances in the General Statutes in which there is a reference to the Secretary of Environment and Natural Resources or a derivative thereof, the Revisor of Statutes may replace that reference with a reference to the Secretary of Environmental Quality, as appropriate.

SECTION 14.30.(w) The following statutes are amended by deleting the language "Department of Environment and Natural Resources" wherever it appears and substituting "Department of Natural and Cultural Resources": G.S. 100-11, G.S. 100-12, G.S. 100-13, G.S. 100-14, G.S. 146-30. In any other instances in the General Statutes in which there is a

1 reference to the Department of Environment and Natural Resources or a derivative thereof, the
2 Revisor of Statutes may replace that reference with a reference to the Department of Natural and
3 Cultural Resources, as appropriate.

4 **SECTION 14.30.(x)** The following statutes are amended by deleting the language
5 "Secretary of the Department of Cultural Resources" wherever it appears and substituting
6 "Secretary of Natural and Cultural Resources": G.S. 70-1, G.S. 70-3, G.S. 70-4, G.S. 113A-259,
7 G.S. 116-37.1, G.S. 116-65, G.S. 121-13, G.S. 132-5.1, G.S. 143-640, G.S. 143B-53.2,
8 G.S. 143B-131.1, G.S. 143B-131.2, G.S. 143B-131.6, G.S. 143B-131.9. In any other instances in
9 the General Statutes in which there is a reference to the Secretary of the Department of Cultural
10 Resources or a derivative thereof, the Revisor of Statutes may replace that reference with a
11 reference to the Secretary of Natural and Cultural Resources, as appropriate.

12 **SECTION 14.30.(y)** The following statutes are amended by deleting the language
13 "Secretary of the Department of Environment and Natural Resources" wherever it appears and
14 substituting "Secretary of Environmental Quality": G.S. 113-173.1, G.S. 127C-2. In any other
15 instances in the General Statutes in which there is a reference to the Secretary of the Department of
16 Environment and Natural Resources or a derivative thereof, the Revisor of Statutes may replace that
17 reference with a reference to the Secretary of Environmental Quality, as appropriate.

18 **CONFORMING CHANGES**

19 **SECTION 14.30.(z)** The following statutes are amended by deleting the language
20 "Article 2C of Chapter 113" wherever it appears and substituting "Part 32 of Article 7 of Chapter
21 143B": G.S. 20-81.12, G.S. 143-260.10, G.S. 143B-260.10C, G.S. 143B-260.10D,
22 G.S. 143B-260.10E.

23 **SECTION 14.30.(aa)** The following statutes are amended by deleting the language
24 "G.S. 113-44.14" wherever it appears and substituting "G.S. 143B-135.54": G.S. 143-260.10,
25 G.S. 143B-260.10C, G.S. 143B-260.10D, G.S. 143B-260.10G.

26 **SECTION 14.30.(bb)** G.S. 14-131 reads as rewritten:

27 **"§ 14-131. Trespass on land under option by the federal government.**

28 On lands under option which have formally or informally been offered to and accepted by either
29 the North Carolina Department of ~~Environment and~~ Natural and Cultural Resources or the
30 Department of Environmental Quality by the acquiring federal agency and tentatively accepted by
31 ~~said a~~ Department for administration as State forests, State parks, State game refuges or for other
32 public purposes, it shall be unlawful to cut, dig, break, injure or remove any timber, lumber,
33 firewood, trees, shrubs or other plants; or any fence, house, barn or other structure; or to pursue,
34 trap, hunt or kill any bird or other wild animals or take fish from streams or lakes within the
35 boundaries of such areas without the written consent of the local official of the United States having
36 charge of the acquisition of such lands.

37 Any person, firm or corporation convicted of the violation of this section shall be guilty of a
38 Class 3 misdemeanor.

39 The Department of ~~Environment and Natural Resources~~ Environmental Quality through its
40 legally appointed forestry, fish and game wardens is hereby authorized and empowered to assist the
41 county law-enforcement officers in the enforcement of this section."

42 **SECTION 14.30.(cc)** G.S. 14-415.11(c1) reads as rewritten:

43 "(c1) Any person who has a concealed handgun permit may carry a concealed handgun on the
44 grounds or waters of a park within the State Parks System as defined in
45 ~~G.S. 113-44.9~~ G.S. 143B-135.44."

46 **SECTION 14.30.(dd)** G.S. 20-79.7(b) reads as rewritten:

47 "(b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and
48 Cultural Attraction Plate Account are established within the Highway Fund. The Division must
49 credit the additional fee imposed for the special registration plates listed in subsection (a) of this
50 section among the Special Registration Plate Account (SRPA), the Collegiate and Cultural
51

1 Attraction Plate Account (CCAPA), the Clean Water Management Trust Fund (CWMTF), which is
2 established under G.S. 113A-253, and the Parks and Recreation Trust Fund, which is established
3 under G.S. 113-44.15, G.S. 143B-135.56, as follows:
4"

5 **SECTION 14.30.(ee)** G.S. 20-125(b) reads as rewritten:

6 "(b) Every vehicle owned or operated by a police department or by the Department of Public
7 Safety including the State Highway Patrol or by the Wildlife Resources Commission or the Division
8 of Marine ~~Fisheries~~, Fisheries of the Department of Environmental Quality, or by the Division of
9 Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources, or by
10 the North Carolina Forest Service of the Department of Agriculture and Consumer Services, and
11 used exclusively for law enforcement, firefighting, or other emergency response purposes, or by the
12 Division of Emergency Management, or by a fire department, either municipal or rural, or by a fire
13 patrol, whether such fire department or patrol be a paid organization or a voluntary association,
14 vehicles used by an organ procurement organization or agency for the recovery and transportation
15 of human tissues and organs for transplantation, and every ambulance or emergency medical service
16 emergency support vehicle used for answering emergency calls, shall be equipped with special
17 lights, bells, sirens, horns or exhaust whistles of a type approved by the Commissioner of Motor
18 Vehicles.

19 The operators of all such vehicles so equipped are hereby authorized to use such equipment at
20 all times while engaged in the performance of their duties and services, both within their respective
21 corporate limits and beyond.

22 In addition to the use of special equipment authorized and required by this subsection, the chief
23 and assistant chiefs of any police department or of any fire department, whether the same be
24 municipal or rural, paid or voluntary, county fire marshals, assistant fire marshals, transplant
25 coordinators, and emergency management coordinators, are hereby authorized to use such special
26 equipment on privately owned vehicles operated by them while actually engaged in the performance
27 of their official or semiofficial duties or services either within or beyond their respective corporate
28 limits.

29 And vehicles driven by law enforcement officers of the North Carolina Division of Motor
30 Vehicles shall be equipped with a bell, siren, or exhaust whistle of a type approved by the
31 Commissioner, and all vehicles owned and operated by the State Bureau of Investigation for the use
32 of its agents and officers in the performance of their official duties may be equipped with special
33 lights, bells, sirens, horns or exhaust whistles of a type approved by the Commissioner of Motor
34 Vehicles.

35 Every vehicle used or operated for law enforcement purposes by the sheriff or any salaried
36 deputy sheriff or salaried rural policeman of any county, whether owned by the county or not, may
37 be, but is not required to be, equipped with special lights, bells, sirens, horns or exhaust whistles of
38 a type approved by the Commissioner of Motor Vehicles. Such special equipment shall not be
39 operated or activated by any person except by a law enforcement officer while actively engaged in
40 performing law enforcement duties.

41 In addition to the use of special equipment authorized and required by this subsection, the chief
42 and assistant chiefs of each emergency rescue squad which is recognized or sponsored by any
43 municipality or civil preparedness agency, are hereby authorized to use such special equipment on
44 privately owned vehicles operated by them while actually engaged in their official or semiofficial
45 duties or services either within or beyond the corporate limits of the municipality which recognizes
46 or sponsors such organization."

47 **SECTION 14.30.(ff)** G.S. 20-130.1(b)(18) reads as rewritten:

48 "(b) The provisions of subsection (a) of this section do not apply to the following:

49 ...

50 (18) A vehicle operated by the Division of Marine Fisheries of the Department of
51 Environmental Quality or the Division of Parks and Recreation of the

Department of ~~Environment and~~ Natural and Cultural Resources that is used for law enforcement, firefighting, or other emergency response purpose."

SECTION 14.30.(gg) G.S. 20-145 reads as rewritten:

"§ 20-145. When speed limit not applicable.

The speed limitations set forth in this Article shall not apply to vehicles when operated with due regard for safety under the direction of the police in the chase or apprehension of violators of the law or of persons charged with or suspected of any such violation, nor to fire department or fire patrol vehicles when traveling in response to a fire alarm, nor to public or private ambulances and rescue squad emergency service vehicles when traveling in emergencies, nor to vehicles operated by county fire marshals and civil preparedness coordinators when traveling in the performances of their duties, nor to any of the following when either operated by a law enforcement officer in the chase or apprehension of violators of the law or of persons charged with or suspected of any such violation, when traveling in response to a fire alarm, or for other emergency response purposes: (i) a vehicle operated by the Division of Marine Fisheries of the Department of Environmental Quality or the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources or (ii) a vehicle operated by the North Carolina Forest Service of the Department of Agriculture and Consumer Services. This exemption shall not, however, protect the driver of any such vehicle from the consequence of a reckless disregard of the safety of others."

SECTION 14.30.(hh) G.S. 20-156(b) reads as rewritten:

"(b) The driver of a vehicle upon the highway shall yield the right-of-way to police and fire department vehicles and public and private ambulances, vehicles used by an organ procurement organization or agency for the recovery or transportation of human tissues and organs for transplantation or a vehicle operated by a transplant coordinator who is an employee of an organ procurement organization or agency when the transplant coordinator is responding to a call to recover or transport human tissues or organs for transplantation, and to rescue squad emergency service vehicles and vehicles operated by county fire marshals and civil preparedness coordinators, and to a vehicle operated by the Division of Marine Fisheries of the Department of Environmental Quality or the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources when used for law enforcement, firefighting, or other emergency response purpose, and to a vehicle operated by the North Carolina Forest Service of the Department of Agriculture and Consumer Services when used for a law enforcement, firefighting, or other emergency response purpose, when the operators of said vehicles are giving a warning signal by appropriate light and by bell, siren or exhaust whistle audible under normal conditions from a distance not less than 1,000 feet. When appropriate warning signals are being given, as provided in this subsection, an emergency vehicle may proceed through an intersection or other place when the emergency vehicle is facing a stop sign, a yield sign, or a traffic light which is emitting a flashing strobe signal or a beam of steady or flashing red light. This provision shall not operate to relieve the driver of a police or fire department vehicle, or a vehicle owned or operated by the Department of Environment and Natural Resources, or the Department of Agriculture and Consumer Services, or public or private ambulance or vehicles used by an organ procurement organization or agency for the recovery or transportation of human tissues and organs for transplantation or a vehicle operated by a transplant coordinator who is an employee of an organ procurement organization or agency when the transplant coordinator is responding to a call to recover or transport human tissues or organs for transplantation, or rescue squad emergency service vehicle or county fire marshals or civil preparedness coordinators from the duty to drive with due regard for the safety of all persons using the highway, nor shall it protect the driver of any such vehicle or county fire marshal or civil preparedness coordinator from the consequence of any arbitrary exercise of such right-of-way."

SECTION 14.30.(ii) G.S. 20-157(a) reads as rewritten:

"(a) Upon the approach of any law enforcement or fire department vehicle or public or private ambulance or rescue squad emergency service vehicle, or a vehicle operated by the Division of Marine ~~Fisheries,~~ Fisheries of the Department of Environmental Quality, or the Division of Parks

1 | and Recreation of the Department of ~~Environment and~~ Natural and Cultural Resources, or the North
2 | Carolina Forest Service of the Department of Agriculture and Consumer Services when traveling in
3 | response to a fire alarm or other emergency response purpose, giving warning signal by appropriate
4 | light and by audible bell, siren or exhaust whistle, audible under normal conditions from a distance
5 | not less than 1000 feet, the driver of every other vehicle shall immediately drive the same to a
6 | position as near as possible and parallel to the right-hand edge or curb, clear of any intersection of
7 | streets or highways, and shall stop and remain in such position unless otherwise directed by a law
8 | enforcement or traffic officer until the law enforcement or fire department vehicle, or the vehicle
9 | operated by the Division of Marine ~~Fisheries,~~ Fisheries of the Department of Environmental
10 | Quality, or the Division of Parks and Recreation of the Department of ~~Environment and~~ and
11 | Cultural Resources, or the North Carolina Forest Service of the Department of Agriculture and
12 | Consumer Services, or the public or private ambulance or rescue squad emergency service vehicle
13 | shall have passed. Provided, however, this subsection shall not apply to vehicles traveling in the
14 | opposite direction of the vehicles herein enumerated when traveling on a four-lane limited access
15 | highway with a median divider dividing the highway for vehicles traveling in opposite directions,
16 | and provided further that the violation of this subsection shall be negligence per se. Violation of this
17 | subsection is a Class 2 misdemeanor."

18 | **SECTION 14.30.(jj)** G.S. 66-58 reads as rewritten:
19 | **"§ 66-58. Sale of merchandise or services by governmental units.**

20 | ...
21 | (b) The provisions of subsection (a) of this section shall not apply to:

22 | ...
23 | (9) The Department of ~~Environment and Natural Resources, except that the~~
24 | ~~Department shall not construct, maintain, operate or lease a hotel or tourist inn in~~
25 | ~~any park over which it has jurisdiction.~~Environmental Quality. The North
26 | Carolina Wildlife Resources Commission may sell wildlife memorabilia as a
27 | service to members of the public interested in wildlife conservation.

28 | ...
29 | (9b) The Department of Natural and Cultural Resources for the sale of food pursuant
30 | to G.S. 111-47.2 and the sale of books, crafts, gifts, and other tourism-related
31 | items and revenues from public and private special events, activities, and
32 | programming at historic sites and museums administered by the Department,
33 | provided that the resulting profits are used to support the operation of historic
34 | sites or ~~museums.~~museums and provided further that the Department shall not
35 | construct, maintain, operate, or lease a hotel or tourist inn in any park over which
36 | it has jurisdiction.

37 | ...
38 | (c) The provisions of subsection (a) shall not prohibit:

39 | ...
40 | (2) The sale of learned journals, works of art, books or publications of the
41 | Department of Natural and Cultural Resources or other agencies, or the Supreme
42 | Court Reports or Session Laws of the General Assembly.

43 | ...
44 | (9b) The Department of Natural and Cultural Resources for the sale of food pursuant
45 | to G.S. 111-47.2 and the sale of books, crafts, gifts, and other tourism-related
46 | items and revenues from public and private special events, activities, and
47 | programming at historic sites and museums administered by the Department,
48 | provided that the resulting profits are used to support the operation of historic
49 | sites or ~~museums.~~museums and provided further that the Department shall not
50 | construct, maintain, operate, or lease a hotel or tourist inn in any park over which
51 | it has jurisdiction.

...."

SECTION 14.30.(kk) G.S. 74-50(b3) reads as rewritten:

"(b3) When the Department receives an application for a new mining permit or for a modification of a mining permit to add land to the permitted area, the Department shall send a notice of the application to each of the following agencies with a request that each agency review and provide written comment on the application within 30 days of the date on which the request is made:

- (1) Division of Air Quality, Department of ~~Environment and Natural Resources~~Environmental Quality.
- (2) Division of Parks and Recreation, Department of ~~Environment and Natural~~ Cultural Resources.
- (3) Repealed by Session Laws 2013-413, s. 57(b), effective August 23, 2013.
- (4) Division of Water Resources, Department of ~~Environment and Natural Resources~~Environmental Quality.
- (5) North Carolina Geological Survey, Division of Energy, Mineral, and Land Resources, Department of ~~Environment and Natural Resources~~Environmental Quality.
- (6) Wildlife Resources Commission, Department of ~~Environment and Natural Resources~~Environmental Quality.
- (7) Office of Archives and History, Department of Cultural Resources.
- (8) United States Fish and Wildlife Service, United States Department of the Interior.
- (9) Any other federal or State agency that the Department determines to be appropriate, including the Division of Coastal Management, ~~Department of Environment and Natural Resources~~; the Division of Marine Fisheries, ~~Department of Environment and Natural Resources~~; and the Division of Waste Management, Management of the Department of ~~Environment and Natural Resources~~; Environmental Quality; and the Department of Transportation."

SECTION 14.30.(ll) G.S. 106-202.17(b) reads as rewritten:

"(b) The Scientific Committee shall consist of the Directors of The University of North Carolina at Chapel Hill Herbarium, the North Carolina State University Herbarium, the North Carolina Botanical Garden of The University of North Carolina at Chapel Hill, the North Carolina State Museum of Natural Sciences of the Department of Natural and Cultural Resources, and the North Carolina Natural Heritage Program of the Department of ~~Environment and Natural Resources~~Environmental Quality or their designees, a representative of the North Carolina Association of Nurserymen, Inc., appointed by the Commissioner, and a representative of a conservation organization, appointed by the Commissioner. Members shall serve for three-year terms and may succeed themselves."

SECTION 14.30.(mm) G.S. 106-803(a) reads as rewritten:

"§ 106-803. Siting requirements for swine houses, lagoons, and land areas onto which waste is applied at swine farms.

- (a) A swine house or a lagoon that is a component of a swine farm shall be located:
 - (1) At least 1,500 feet from any occupied residence.
 - (2) At least 2,500 feet from any school; hospital; church; outdoor recreational facility; national park; State Park, as defined in ~~G.S. 113-44.9~~; G.S. 143B-135.44; historic property acquired by the State pursuant to G.S. 121-9 or listed in the North Carolina Register of Historic Places pursuant to G.S. 121-4.1; or child care center, as defined in G.S. 110-86, that is licensed under Article 7 of Chapter 110 of the General Statutes.
 - (3) At least 500 feet from any property boundary.

- (4) At least 500 feet from any well supplying water to a public water system, as defined in G.S. 130A-313.
- (5) At least 500 feet from any other well that supplies water for human consumption. This subdivision does not apply to a well located on the same parcel or tract of land on which the swine house or lagoon is located and that supplies water only for use on that parcel or tract of land or for use on adjacent parcels or tracts of land all of which are under common ownership or control."

SECTION 14.30.(nn) G.S. 113-8 reads as rewritten:

"§ 113-8. Powers and duties of the Department.

The Department shall make investigations of the natural resources of the State, and take such measures as it may deem best suited to promote the conservation and development of such resources.

It shall have the protection of lands and water supplies; it shall also have the care of ~~State parks, and other~~ recreational areas now owned or to be acquired by the State, including the lakes referred to in G.S. 146-7.

It shall make such examination, survey and mapping of the geology, mineralogy and topography of the State, including their industrial and economic utilization, as it may consider necessary; make investigations of water supplies and water powers, prepare and maintain a general inventory of the water resources of the State, and take such measures as it may consider necessary to promote their development.

It shall have the duty of enforcing all laws relating to the conservation of marine and estuarine resources.

The Department may take such other measures as it may deem advisable to obtain and make public a more complete knowledge of the State and its resources, and it is authorized to cooperate with other departments and agencies of the State in obtaining and making public such information.

The Department may acquire such real and personal property as may be found desirable and necessary for the performance of the duties and functions of the Department and pay for same out of any funds appropriated for the Department or available unappropriated revenues of the Department, when such acquisition is approved by the Governor and Council of State. The title to any real estate acquired shall be in the name of the State of North Carolina for the use and benefit of the Department."

SECTION 14.30.(oo) G.S. 113-28.1 reads as rewritten:

"§ 113-28.1. Designated employees commissioned special peace officers by Governor.

Upon application by either the Secretary of ~~Environment and Natural Resources, Natural and Cultural Resources or the Secretary of Environmental Quality~~, the Governor is hereby authorized and empowered to commission as special peace officers such of the employees of the ~~Department of Environment and Natural Resources-Departments~~ as the Secretary may designate for the purpose of enforcing the laws and rules enacted or adopted for the protection, preservation and government of State parks, lakes, reservations and other lands or waters under the control or supervision of the ~~Department of Environment and Natural Resources-respective Departments~~."

SECTION 14.30.(pp) G.S. 113-28.2 reads as rewritten:

"§ 113-28.2. Powers of arrest.

Any employee of either the Department of ~~Environment and-Natural~~ and Cultural Resources or the Department of Environmental Quality commissioned as a special peace officer shall have the right to arrest with warrant any person violating any law or rule on or relating to the State parks, lakes, reservations and other lands or waters under the control or supervision of the ~~Department of Environment and Natural Resources-employee's respective Department~~, and shall have the power to pursue and arrest without warrant any person violating in his presence any law or rule on or relating to said parks, lakes, reservations and other lands or waters under the control or supervision of the ~~Department of Environment and Natural Resources-employee's respective Department~~."

SECTION 14.30.(qq) G.S. 113-28.2A reads as rewritten:

1 **"§ 113-28.2A. Cooperation between law enforcement agencies.**

2 Special peace officers employed by either the Department of ~~Environment and~~ Natural and
3 Cultural Resources or the Department of Environmental Quality are officers of a "law enforcement
4 agency" for purposes of G.S. 160A-288, and ~~the each~~ Department shall have the same authority as a
5 city or county governing body to approve cooperation between law enforcement agencies under that
6 section."

7 **SECTION 14.30.(rr)** G.S. 113-28.4 reads as rewritten:

8 **"§ 113-28.4. Oaths required.**

9 Before any employee of either the Department of ~~Environment and~~ Natural and Cultural
10 Resources or the Department of Environmental Quality commissioned as a special peace officer
11 shall exercise any power of arrest under this ~~Article~~ he Article, the employee shall take the oaths
12 required of public officers before an officer authorized to administer oaths."

13 **SECTION 14.30.(ss)** G.S. 113-307.1(a) reads as rewritten:

14 "(a) The consent of the General Assembly of North Carolina is hereby given to the making
15 by the Congress of the United States, or under its authority, of all such rules and regulations as the
16 federal government shall determine to be needful in respect to game animals, game and nongame
17 birds, and fish on such lands in the western part of North Carolina as shall have been, or may
18 hereafter be, purchased by the United States under the terms of the act of Congress of March 1,
19 1911, entitled "An act to enable any state to cooperate with any other state or states, or with the
20 United States, for the protection of the watersheds of navigable streams, and to appoint a
21 commission for the acquisition of lands for the purposes of conserving the navigability of navigable
22 rivers" (36 Stat. 961), and acts of Congress supplementary thereto and amendatory thereof, and in or
23 on the waters thereon.

24 Nothing in this subsection shall be construed as conveying the ownership of wildlife from the
25 State of North Carolina or permit the trapping, hunting, or transportation of any game animals,
26 game or nongame birds, or fish by any person, including any agency, department, or instrumentality
27 of the United States or agents thereof, on the lands in North Carolina, as shall have been or may
28 hereafter be purchased by the United States under the terms of any act of Congress, except in
29 accordance with the provisions of this Subchapter and its implementing regulations. Provided, that
30 the provisions of ~~G.S. 113-39~~ G.S. 143B-135.20 apply with respect to licenses.

31 Any person, including employees or agents of any department or instrumentality of the United
32 States, violating the provisions of this subsection is guilty of a Class 1 misdemeanor."

33 **SECTION 14.30.(tt)** G.S. 120-306(a)(1)c. is repealed.

34 **SECTION 14.30.(uu)** G.S. 121-7.7(c) reads as rewritten:

35 "(c) Reports. – The Department of Natural and Cultural Resources must submit to the Joint
36 Legislative Commission on Governmental Operations, the chairs of the House of Representatives
37 ~~and Appropriations Committee on Agriculture and Natural and Environmental Resources, the~~
38 Chairs of the Senate Appropriations ~~Subcommittees~~ Committee on ~~General Government, Natural~~
39 and Economic Resources, and the Fiscal Research Division by September 30 of each year a report
40 on the Fund that includes the source and amounts of all funds credited to the Fund and the purpose
41 and amount of all expenditures from the Fund during the prior fiscal year."

42 **SECTION 14.30.(vv)** G.S. 121-21.1(c) reads as rewritten:

43 "(c) The Tryon Palace Commission shall submit to the Joint Legislative Commission on
44 Governmental Operations, the House ~~and of Representatives Appropriations Committee on~~
45 Agriculture and Natural and Economic Resources, the Senate Appropriations ~~Subcommittees~~
46 Committee on ~~General Government, Natural and Economic Resources~~, and the Fiscal Research
47 Division by September 30 of each year a report on the Tryon Palace Historic Sites and Gardens
48 Fund that shall include the source and amounts of all funds credited to the Fund and the purpose and
49 amount of all expenditures from the Fund during the prior fiscal year."

50 **SECTION 14.30.(ww)** G.S. 136-44.12 reads as rewritten:

1 **"§ 136-44.12. Maintenance of roads and parking lots in areas administered by the Division of**
2 **Parks and Recreation.**

3 The Department of Transportation shall maintain all roads and parking lots which are not part of
4 the State Highway System, leading into and located within the boundaries of all areas administered
5 by the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and
6 Cultural Resources.

7 All such roads and parking lots shall be planned, designed, and engineered through joint action
8 between the Department of Transportation and the Division of Parks and Recreation of the
9 Department of ~~Environment and~~ Natural and Cultural Resources. This joint action shall encompass
10 all accepted park planning and design principles. Particular concern shall be given to traffic counts
11 and vehicle weight, minimal cutting into or through any natural and scenic areas, width of
12 shoulders, the cutting of natural growth along roadways, and the reduction of any potential use of
13 roads or parking lots for any purpose other than by park users. All State park roads and parking lots
14 shall conform to the standards regarding width and other roadway specifications as agreed upon by
15 the Division of Parks and Recreation of the Department of ~~Environment and~~ Natural and Cultural
16 Resources and the Department of Transportation.

17 The State park road systems may be closed to the public in accordance with approved park
18 practices that control the use of State areas so as to protect these areas from overuse and abuse and
19 provide for functional use of the park areas, or for any other purpose considered in the best interest
20 of the public by the Division of Parks and Recreation of the Department of ~~Environment and~~
21 Natural and Cultural Resources.

22 Nothing herein shall be construed to include the transfer to the Department of Transportation the
23 powers now vested in the Division of Parks and Recreation of the Department of ~~Environment and~~
24 Natural and Cultural Resources relating to the patrol and safeguarding of State park roads or State
25 park parking lots."

26 **SECTION 14.30.(xx) G.S. 143-116.8 reads as rewritten:**
27 **"§ 143-116.8. Motor vehicle laws applicable to State parks and forests road system.**

28 (a) Except as otherwise provided in this section, all the provisions of Chapter 20 of the
29 General Statutes relating to the use of highways and public vehicular areas of the State and the
30 operation of vehicles thereon are made applicable to the State parks and forests road system. For the
31 purposes of this section, the term "State parks and forests road system" shall mean the streets,
32 alleys, roads, public vehicular areas and driveways of the State parks, State forests, State recreation
33 areas, State lakes, and all other lands administered by the Department of ~~Environment and~~ Natural
34 and Cultural Resources or the Department of Agriculture and Consumer Services. This term shall
35 not be construed, however, to include streets that are a part of the State highway system. Any
36 person violating any of the provisions of Chapter 20 of the General Statutes hereby made applicable
37 in the State parks and forests road system shall, upon conviction, be punished in accordance with
38 Chapter 20 of the General Statutes. Nothing herein contained shall be construed as in any way
39 interfering with the ownership and control of the State parks road system by the Department of
40 ~~Environment and~~ Natural and Cultural Resources and the forests road system by the Department of
41 Agriculture and Consumer Services.

42 (b) (1) It shall be unlawful for a person to operate a vehicle in the State parks road
43 system at a speed in excess of twenty-five miles per hour (25 mph). When the
44 Secretary of ~~Environment and~~ Natural and Cultural Resources determines that
45 this speed is greater than reasonable and safe under the conditions found to exist
46 in the State parks road system, the Secretary may establish a lower reasonable
47 and safe speed limit. No speed limit established by the Secretary pursuant to this
48 provision shall be effective until posted in the part of the system where the limit
49 is intended to apply.

50 ...

(c) The Secretary of ~~Environment and~~ Natural and Cultural Resources may, by rule, regulate parking and establish parking areas, and provide for the removal of illegally parked motor vehicles on the State parks road system, and the Commissioner of Agriculture may, by rule, regulate and establish parking areas and provide for the removal of illegally parked motor vehicles on the State forests road system. Any rule of the Secretary or the Commissioner shall be consistent with the provisions of G.S. 20-161, 20-161.1, and 20-162. Any removal of illegally parked motor vehicles shall be in compliance with Article 7A of Chapter 20 of the General Statutes.

(d) A violation of the rules issued by the Secretary of ~~Environment and~~ Natural and Cultural Resources or the Commissioner of Agriculture under subsection (c) of this section is an infraction pursuant to G.S. 20-162.1, and shall be punished as therein provided. These rules may be enforced by the Commissioner of Motor Vehicles, the Highway Patrol, forest law enforcement officers, or other law enforcement officers of the State, counties, cities or other municipalities having authority under Chapter 20 of the General Statutes to enforce laws or rules on travel or use or operation of vehicles or the use or protection of the highways of the State.

...

(f) Notwithstanding any other provision of this section, a person may petition the Department of ~~Environment and~~ Natural and Cultural Resources for a waiver authorizing the person to operate a vehicle in the State parks road system at a speed in excess of 25 miles per hour in connection with a special event. The Secretary may impose any conditions on a waiver that the Secretary determines to be necessary to protect public health, safety, welfare, and the natural resources of the State park. These conditions shall include a requirement that the person receiving the waiver execute an indemnification agreement with the Department and obtain general liability insurance in an amount not to exceed three million dollars (\$3,000,000) covering personal injury and property damage that may result from driving in excess of 25 miles per hour in the State parks road system subject to the conditions determined by the Secretary.

...."

SECTION 14.30.(yy) G.S. 143-129.8A(a) reads as rewritten:

"(a) Exemption. – The North Carolina Zoological Park is a State entity whose primary purpose is the attraction of, interaction with, and education of the public regarding issues of global conservation, ecological preservation, and scientific exploration, and that purpose presents unique challenges requiring greater flexibility and faster responsiveness in meeting the needs of and creating the attractions for the Park. Accordingly, the Department of ~~Environment and~~ Natural and Cultural Resources may use the procedure set forth in this section, in addition to or instead of any other procedure available under North Carolina law, to contract with a non-State entity on behalf of the Park for the acquisition of goods and services where: (i) the contract directly results in the generation of revenue for the State of North Carolina or (ii) the use of the acquired goods and services by the Park results in increased revenue or decreased expenditures for the State of North Carolina."

SECTION 14.30.(zz) G.S. 143-135.9(e) reads as rewritten:

"(e) North Carolina Zoological Park. – The acquisition of goods and services under a contract entered pursuant to the exemption of G.S. 143-129.8A(a) by the Department of ~~Environment and~~ Natural and Cultural Resources on behalf of the North Carolina Zoological Park may be conducted using the Best Value procurement method. For acquisitions which the procuring agency deems to be highly complex, the use of Government-Vendor partnership is authorized."

SECTION 14.30.(aaa) G.S. 143-215.31(e) reads as rewritten:

"(e) The minimum streamflow in the length of the stream affected by a dam to which subsections (c) and (d) of this section do not apply shall be established as provided in subsection (b) of this section. Subsections (c) and (d) of this section do not apply if the length of the stream affected:

- (1) Receives a discharge of waste from a treatment works for which a permit is required under Part 1 of this Article; or

(2) Includes any part of a river or stream segment that:

- a. Is designated as a component of the State Natural and Scenic Rivers System by ~~G.S. 113A-35.1~~ G.S. 143B-135.152 or ~~G.S. 113A-35.2~~ G.S. 143B-135.154.
- b. Is designated as a component of the national Wild and Scenic Rivers System by 16 U.S.C. § 1273 and 1274."

SECTION 14.30.(bbb) G.S. 143-215.73F reads as rewritten:

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

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, and 105-449.126. Revenue in the Fund may only be used 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, or 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. 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 and Cultural 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~~ G.S. 143B-135.56 for the cost-share. 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."

SECTION 14.30.(ccc) G.S. 147-12(b) reads as rewritten:

"(b) The Department of Transportation, the Division of Adult Correction of the Department of Public Safety, the State Highway Patrol, the Wildlife Resources Commission, the Division of Parks and Recreation in the Department of ~~Environment and~~ Natural and Natural Resources, and the Division of Marine Fisheries in the Department of ~~Environment and Natural Resources~~ Environmental Quality shall deliver to the Governor by February 1 of each year detailed information on the agency's litter enforcement, litter prevention, and litter removal efforts. The Administrative Office of the Courts shall deliver to the Governor, by February 1 of each year, detailed information on the enforcement of the littering laws of the State, including the number of charges and convictions under the littering laws of the State. The Governor shall gather the information submitted by the respective agencies and deliver a consolidated annual report, on or before March 1 of each year, to the Environmental Review Commission, the Joint Legislative Transportation Oversight Committee, and the House of Representatives and the Senate ~~Appropriations Subcommittees on Natural and Economic Resources~~ appropriations committees with jurisdiction over natural and economic resources."

SECTION 14.30.(ddd) The title of Article 2 of Chapter 143B of the General Statutes reads as rewritten:

"Article 2.

Department of Natural and Cultural Resources."

SECTION 14.30.(eee) The title of Article 7 of Chapter 143B of the General Statutes is rewritten to read:

"Article 7.

Department of Environmental Quality."

SECTION 14.30.(fff) G.S. 143B-50 reads as rewritten:

"§ 143B-50. Duties of the Department.

It shall be the duty of the Department to do the following:

- (1) To provide the necessary management, development of policy and establishment and enforcement of standards for the furtherance of resources, services and programs involving the arts and the historical and cultural aspects of the lives of the citizens of North Carolina.
- (2) To provide and keep a museum or collection of the natural history of the State and to maintain the North Carolina Biological Survey."

SECTION 14.30.(ggg) G.S. 143B-53 reads as rewritten:

"§ 143B-53. Organization of the Department.

(a) The Department of Cultural Resources shall be organized initially to include the Art Commission, the Art Museum Building Commission, the North Carolina Historical Commission, the Tryon Palace Commission, the U.S.S. North Carolina Battleship Commission, the Sir Walter Raleigh Commission, the Executive Mansion Fine Arts Committee, the American Revolution Bicentennial Committee, the North Carolina Awards Committee, the America's Four Hundredth Anniversary Committee, the North Carolina Arts Council, the Public Librarian Certification Commission, the State Library Commission, the North Carolina Symphony Society, Inc., and the Division of the State Library, the Division of Archives and History, the Division of the Arts, and such other divisions as may be established under the provisions of the Executive Organization Act of 1973.

(b) The Department of Natural and Cultural Resources shall include the currently existing entities listed in subsection (a) of this section and the following additional entities:

- (1) The Parks and Recreation Division.
- (2) The State Parks System, including Mount Mitchell State Park.
- (3) The North Carolina Aquariums Division.
- (4) The North Carolina Zoological Park.
- (5) The Museum of Natural Sciences.
- (6) North Carolina Parks and Recreation Authority.
- (7) North Carolina Trails Committee.
- (8) North Carolina Zoological Park Council.
- (9) Advisory Commission for North Carolina State Museum of Natural Sciences."

SECTION 14.30.(hhh) G.S. 143B-53.3(c) reads as rewritten:

"(c) Reports. – The Department of Natural and Cultural Resources shall submit a report by September 30 of each year to the Joint Legislative Commission on Governmental Operations, the chairs of the House of Representatives Appropriations ~~Subcommittee~~ Committee on ~~General Government, Agriculture and Natural and Economic Resources,~~ the chairs of the Senate Appropriations Committee on ~~General Government and Information Technology, Natural and Economic Resources,~~ and the Fiscal Research Division. This report shall include the source and amount of all funds credited to the Fund and the purpose and amount of all expenditures from the Fund during the prior fiscal year."

SECTION 14.30.(iii) G.S. 143B-87.2(c) reads as rewritten:

"(c) Reports. – The Department shall submit a report to the Joint Legislative Commission on Governmental Operations, the House of Representatives Appropriations ~~Subcommittee~~ Committee on ~~General Government, Agriculture and Natural and Economic Resources,~~ the Senate Appropriations Committee on ~~General Government and Information Technology, Natural and Economic Resources,~~ and the Fiscal Research Division by September 30 of each year that includes the source and amount of all funds credited to the Fund and the purpose and amount of all expenditures from the Fund during the prior fiscal year."

1 **SECTION 14.30.(jjj)** G.S. 143B-131.4 reads as rewritten:

2 **"§ 143B-131.4. Commission reports.**

3 The Commission shall submit a quarterly report to the Chairs of the House of Representatives
4 Appropriations ~~Subcommittee~~ Committee on ~~General Government and Agriculture and Natural and~~
5 Economic Resources, the Chairs of the Senate Appropriations Committee on ~~General Government~~
6 ~~and Information Technology~~ Natural and Economic Resources, and to the Fiscal Research Division
7 of the General Assembly. The report shall include:

- 8 (1) A summary of actions taken by the Commission consistent with the powers and
9 duties of the Commission set forth in G.S. 143B-131.2.
10 (2) Recommendations for legislation and administrative action to promote and
11 develop the Elizabeth II State Historic Site and Visitor Center.
12 (3) An accounting of funds received and expended."

13 **SECTION 14.30.(kkk)** G.S. 143B-279.2(2a) is repealed.

14 **SECTION 14.30.(lll)** Subdivisions (9) and (12) of subsection (a) and subdivisions (17),
15 (19), and (22) of subsection (b) of G.S. 143B-279.3 are repealed.

16 **SECTION 14.30.(mmm)** G.S. 143B-344.49 reads as rewritten:

17 **"§ 143B-344.49. Definitions.**

18 The following definitions apply to this Part:

- 19 (1) Applicant. – A member of the family residing in the dwelling unit, the owner, or
20 designated agent of the owner of a dwelling unit applying for program services.
21 (2) Department. – The ~~Environment and Natural Resources~~ Department of
22 Environmental Quality.
23 (3) Secretary. – The Secretary of ~~the Department of Environment and Natural~~
24 Resources Environmental Quality.
25 (4) Subgrantee. – An entity managing a weatherization project that receives a federal
26 grant of funds awarded pursuant to 10 C.F.R. § 440 (1 January 2006 edition)
27 from this State or other entity named in the Notification of Grant Award and
28 otherwise referred to as the grantee.
29 (5) Weatherization. – The modification of homes and home heating and cooling
30 systems to improve heating and cooling efficiency by caulking and weather
31 stripping, as well as insulating ceilings, attics, walls, and floors."

32 **SECTION 14.30.(nnn)** G.S. 146-29.2(e) reads as rewritten:

33 "(e) Land in the State Parks System, as defined in ~~G.S. 113-449.9, G.S. 143B-135.44~~, may
34 only be leased or conveyed for the purposes of this section upon the approval of the Secretary of ~~the~~
35 ~~Department of Environment and Natural~~ and Cultural Resources. Lease or conveyance of land in
36 the State Parks System for the purposes of this section shall comply with the requirements of
37 ~~Articles 2 and 2C of Chapter 113 Parts 31 and 32 of Article 7 of Chapter 143B~~ of the General
38 Statutes. When selecting a location for a communications tower or antenna in the State Parks
39 System, the State shall choose a location that minimizes the visual impact on the surrounding
40 landscape. No land acquired or developed using funds from the Federal Land and Water
41 Conservation Fund shall be leased or conveyed for the purposes of this section."

42
43 **LIMITED AUTHORITY TO RECLASSIFY AND ELIMINATE CERTAIN POSITIONS**

44 **SECTION 14.30.(ooo)** Notwithstanding any other provision of law, subject to the
45 approval of the Director of the Budget, the Office of State Budget and Management or the Secretary
46 of the Department of Natural and Cultural Resources may reclassify or eliminate existing
47 administrative positions that are not specifically addressed in this act as needed for the efficient
48 operation of the Department.

49
50 **BUDGETARY TRANSITION PROVISIONS**

1 **SECTION 14.30.(ppp)** The Office of State Budget and Management shall ensure that
2 future budget documents show the Department of Natural and Cultural Resources, as renamed and
3 reorganized by this section, in the Natural and Economic Resources section of the budget.

4 **SECTION 14.30.(qqq)** The Department of Natural and Cultural Resources shall
5 transfer to the Department of Environmental Quality any funds necessary to cover outstanding
6 liabilities of the attractions, divisions, or entities transferred by this section that come due to the
7 Department of Environmental Quality on or after August 1, 2016.

8 **SECTION 14.30.(rrr)** The Department of Environmental Quality shall transfer to the
9 Department of Natural and Cultural Resources any funds remaining after covering outstanding
10 liabilities of the attractions, divisions, or entities transferred by this section.

11 12 **REPORTING AND EFFECTIVE DATE**

13 **SECTION 14.30.(sss)** The Office of State Budget and Management, in consultation
14 with the Department of Environment and Natural Resources and the Department of Cultural
15 Resources, shall make the following reports on progress implementing this section to the
16 Environmental Review Commission, the Senate and the House of Representatives appropriations
17 committees with jurisdiction over natural and cultural resources, and the Fiscal Research Division:

18 (1) An interim report on or before October 1, 2015.

19 (2) A final report on or before January 15, 2016.

20 These reports shall include (i) the proposed new organization structure, including
21 proposed movement of positions or funds between fund codes, and (ii) information about any
22 reclassifications of positions or reductions in force pursuant to subsection (ooo) of this section, and
23 may include any recommendations for changes to the statutes revised or recodified by this section.

24 **SECTION 14.30.(ttt)** Other than subsection (sss) of this section, this section becomes
25 effective August 1, 2015. Any references in this act to any program, office, section, division,
26 council, or committee transferred under this section shall be construed to be consistent with the
27 transfers under this section.

1
2 **Senate Only**

3 **STUDY FURTHER EFFICIENCIES IN ORGANIZATION OF DEPARTMENT OF**
4 **NATURAL AND CULTURAL RESOURCES AND DEPARTMENT OF**
5 **ENVIRONMENTAL QUALITY**

6 **SECTION 14.31.(a)** The Department of Cultural Resources, in consultation with the
7 Department of Environment and Natural Resources and the Wildlife Resources Commission, shall
8 study and report on the potential for efficiency, cost savings, and alignment of core mission and
9 values that would be created from the transfer of the following agencies, divisions, or programs to
10 the reorganized Department of Natural and Cultural Resources created by Section 14.30 of this act:

- 11 (1) Albemarle-Pamlico National Estuary Partnership.
12 (2) Coastal Reserves Program.
13 (3) Office of Land and Water Stewardship.
14 (4) All or a portion of the Office of Environmental Education and Public Affairs.
15 (5) Division of Marine Fisheries.
16 (6) Wildlife Resources Commission.

17 **SECTION 14.31.(b)** The Department shall report as required by subsection (a) of this
18 section no later than April 1, 2016, to the chairs of the Senate Appropriations Committee on Natural
19 and Economic Resources, the chairs of the House Appropriations Committee on Agriculture and
20 Natural and Economic Resources, and the Fiscal Research Division.
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Senate Only

**TECHNICAL CORRECTION RELATING TO ROANOKE ISLAND COMMISSION
LEGAL COUNSEL**

SECTION 14.33. G.S. 143B-131.7 is repealed.

1
2 **House Only**

3 **COMMERCE & DENR STUDY COASTAL RESTORATION AS AN ECONOMIC**
4 **DEVELOPMENT STRATEGY**

5 **SECTION 15.2.(a)** The Department of Commerce shall study how coastal restoration,
6 including wetland restoration, oyster bed restoration, living shorelines, and stormwater retrofit
7 efforts, contribute to the coastal economy and, if and how, coastal restoration is consistent with
8 State, regional, and rural economic development policies. The Department shall consult with other
9 State agencies and private organizations in conducting this study. The Department shall report its
10 findings, including any proposed revisions and implementations of these policies, to the
11 Environmental Review Commission by March 1, 2016.

12 **SECTION 15.2.(b)** The Departments of Commerce and Environment and Natural
13 Resources shall work with the United States Department of Agriculture, Natural Resources
14 Conservation Service, as well as for-profit and nonprofit organizations, to develop
15 recommendations to identify and fully capitalize on the conservation programs funded through the
16 federal Farm Bill, including the potential to help pay for oyster restoration, wildlife enhancement,
17 and wetland restoration with federal dollars. The Departments shall also determine how the State of
18 North Carolina compares to other states in accessing federal restoration funding. The Departments
19 shall report their findings and recommendations to the Environmental Review Commission by
20 March 1, 2016.

21 **SECTION 15.2.(c)** The Department of Environment and Natural Resources shall
22 identify regulatory reform opportunities for the construction of voluntary natural resource
23 restoration and enhancement projects and shall develop proposals that reduce the cost of and
24 approval time for projects that restore oysters, wetlands, coastal shorelines, and other natural
25 resources. The Department shall consider all of the following: (i) opportunities to streamline the
26 permitting of voluntary natural resource restoration and enhancement projects; (ii) opportunities to
27 reduce permitting fees for voluntary natural resource restoration and enhancement projects; (iii)
28 providing for flexibility in applying environmental standards to restoration and enhancement
29 projects with long-term environmental and natural resource benefits; (iv) allowing de minimis
30 environmental impacts during construction of restoration or enhancement projects in the interest of
31 long-term environmental and natural resource benefits, consistent with State and federal law; and
32 (v) opportunities to focus existing Department resources on restoration and enhancement of natural
33 resources. The Department shall submit its findings and recommendations to the Environmental
34 Review Commission by March 1, 2016.
35

House and Senate Differ- (Technical changes only; Senate is correct version)

Senate Version

DEPARTMENT OF COMMERCE/CONFORMING STATUTORY CHANGES

SECTION 15.4.(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 15.4.(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.

- 1 b. Urge visitors to protect endangered species, natural resources,
2 archaeological artifacts, and cultural treasures.
3 c. Instill the ethic of stewardship of the State's natural resources.
4 (12) Foster an understanding among State residents and civil servants of the economic
5 importance of hospitality and tourism to the State.
6 (13) Work with local businesses, including banks and hotels, with educational
7 institutions, and with the United States Travel and Tourism Administration, to
8 provide special services for international visitors, such as currency exchange
9 facilities.
10 (14) Encourage the reduction of architectural and other barriers which impede travel
11 by physically handicapped persons."

12 **SECTION 15.4.(c)** G.S. 143B-472.35 reads as rewritten:

13 **"§ 143B-472.35. Establishment of fund; use of funds; application for grants; disbursal;
14 repayment; inspections; rules; reports.**

15 ...

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

17 ...

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

22 "

23 **SECTION 15.4.(d)** The Department of Commerce shall, in accordance with Article 2A
24 of Chapter 150B of the General Statutes, amend its rules to reflect the division name changes
25 provided for in this **section.**

26 **SECTION 15.4.(e)** The Revisor of Statutes may conform names and titles changed by
27 this section, and may correct statutory references as required by this section, throughout the General
28 Statutes. In making the changes authorized by this section, the Revisor may also adjust subject and
29 verb agreement and the placement of conjunctions.
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House and Senate Differ (Technical changes only; Senate is correct version)

Senate Version

NER BLOCK GRANTS/2016 AND 2017 PROGRAM YEARS

SECTION 15.5.(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 15.5.(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 15.5.(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 15.5.(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 15.5.(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 authorize the reallocation without consulting the Commission. The Department of Commerce shall report to the Commission on the reallocation no later than 30 days after it was authorized and shall identify in the report the emergency, the type of action taken, and how it was related to the emergency.
- (2) The State will lose federal block grant funds or receive less federal block grant funds in the next fiscal year unless a reallocation is made, the Department of Commerce shall provide a written report to the Commission on the proposed reallocation and shall identify the reason that failure to take action will result in the loss of federal funds. If the Commission does not hear the issue within 30

1 days of receipt of the report, the Department may take the action without
2 consulting the Commission.

3 **SECTION 15.5.(f)** By September 1, 2015, and September 1, 2016, the Department of
4 Commerce shall report to the Joint Legislative Commission on Governmental Operations and the
5 Fiscal Research Division on the use of Community Development Block Grant Funds appropriated
6 in the prior fiscal year. The report shall include the following:

7 (1) A discussion of each of the categories of funding and how the categories were
8 selected, including information on how a determination was made that there was
9 a statewide need in each of the categories.

10 (2) Information on the number of applications that were received in each category
11 and the total dollar amount requested in each category.

12 (3) A list of grantees, including the grantee's name, county, category under which the
13 grant was funded, the amount awarded, and a narrative description of the project.

14 **SECTION 15.5.(g)** For purposes of this section, eligible activities under the category of
15 Infrastructure in subsection (a) of this section shall be defined as provided in the HUD State
16 Administered Community Development Block Grant definition of the term "infrastructure".
17 Notwithstanding the provisions of subsection (e) of this section, funds allocated to the Infrastructure
18 category in subsection (a) of this section shall not be reallocated to any other category.
19
20

House and Senate Differ

House Version

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

SECTION 15.6.(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 15.6.(b) To allow the Department of Commerce and the Department of Environment and Natural Resources to quickly deploy deobligated CDBG funds 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) The Department of Commerce may use the sum of five million nine hundred eight thousand four hundred ninety-seven dollars (\$5,908,497) in deobligated CDBG funds as follows:

- a. Four million six hundred fifty-eight thousand four hundred ninety-seven dollars (\$4,658,497) for:

1. Providing public services and public facilities. The category of public services includes providing substance abuse services and employment services, including job training, to homeless and at-risk veterans in rural areas of the State.
2. If House Bill 108, 2015 Regular Session, becomes law, providing up to one million dollars (\$1,000,000) in the 2016-2017 fiscal year to be used to fund a loan fund for site, infrastructure, and building development. Program income generated from awards made from the loan fund shall be captured in the existing CDBG revolving loan fund.

- b. Five hundred thousand dollars (\$500,000) for existing CDBG programs that encounter cost overruns.

- c. Seven hundred fifty thousand dollars (\$750,000) for providing training and guidance to local governments relative to the CDBG program, its management, and administration requirements.

- (2) All deobligated CDBG funds remaining after the provisions of subdivision (1) of this subsection have been met and all surplus federal administrative funds shall be divided equally between the Department of Commerce and the Department of Environment and Natural Resources and shall be used as provided in subdivisions (3) and (4) of this subsection.

- (3) The Department of Commerce may use the funds provided for in subdivision (2) of this subsection for 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.

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- (4) The Department of Environment and Natural Resources may use the funds provided for in subdivision (2) of this subsection for 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.

1 **Senate Version**

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

4 **SECTION 15.6.(a)** Throughout each year, deobligated funds arise in the various
5 funding categories and program years of the Community Development Block Grant (CDBG)
6 program as a result of (i) projects coming in under budget, (ii) projects being cancelled, or (iii)
7 projects being required to repay funds. Surplus federal administrative funds in the CDBG program
8 may vary from year-to-year based upon the amount of State-appropriated funds allocated and the
9 amount of eligible in-kind funds identified.

10 **SECTION 15.6.(b)** To allow the Department of Commerce and the Department of
11 Environment and Natural Resources to quickly deploy deobligated CDBG funds and surplus federal
12 administrative funds as they are identified throughout the program year, the following shall apply to
13 the use of deobligated CDBG funds and surplus federal administrative funds:

- 14 (1) The Department of Commerce may use the sum of five million nine hundred
15 eight thousand four hundred ninety-seven dollars (\$5,908,497) in deobligated
16 CDBG funds as follows:

17 **a. Four million nine hundred eight thousand four hundred ninety-seven**
18 **dollars (\$4,908,497) for:**

- 19 1. Providing public services and public facilities. The category of
20 public services includes providing substance abuse services and
21 employment services, including job training for veterans in **high**
22 **unemployment** areas in the State.
23 2. If House Bill 108, 2015 Regular Session, becomes law, providing
24 up to one million dollars (\$1,000,000) in the 2016-2017 fiscal
25 year to be used to fund a loan fund for site, infrastructure, and
26 building development. Program income generated from awards
27 made from the loan fund shall be captured in the existing CDBG
28 revolving loan fund.

- 29 **b. Five hundred thousand dollars (\$500,000)** for existing CDBG programs
30 that encounter cost overruns.

- 31 **c. Five hundred thousand dollars (\$500,000)** for providing training and
32 guidance to local governments relative to the CDBG program, its
33 management, and administration requirements.

- 34 (2) All deobligated CDBG funds remaining after the provisions of subdivision (1) of
35 this subsection have been met and all surplus federal administrative funds shall
36 be divided equally between the Department of Commerce and the Department of
37 Environment and Natural Resources and shall be used as provided in
38 subdivisions (3) and (4) of this subsection.

- 39 (3) The Department of Commerce may use the funds provided for in subdivision (2)
40 of this subsection for the following:

- 41 a. To issue grants in the CDBG economic development program category.
42 b. For providing training and guidance to local governments relative to the
43 CDBG program, its management, and administrative requirements.

- 44 (4) The Department of Environment and Natural Resources may use the funds
45 provided for in subdivision (2) of this subsection to issue grants in the CDBG
46 infrastructure program category.
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1
2 **Senate Only**

3 **RURAL INFRASTRUCTURE AUTHORITY/ECONOMIC DEVELOPMENT GRANTS &**
4 **LOANS**

5 **SECTION 15.6A.** G.S. 143B-472.127 reads as rewritten:
6 **"§ 143B-472.127. Programs administered.**

7 (a) The Rural Economic Development Division shall be responsible for administering the
8 program whereby economic development grants or loans are awarded by the Rural Infrastructure
9 Authority as provided in G.S. 143B-472.128 to local government units. The Rural Infrastructure
10 Authority shall, in awarding economic development grants or loans under the provisions of this
11 subsection, give priority to (i) local government units of the counties that have one of the 80 highest
12 rankings under G.S. 143B-437.08 after the adjustment of that ~~section.~~ section and (ii) local
13 government units located in a rural census tract in a development tier three area. For purposes of
14 this section, the term "rural census tract" means a census tract having a population density of less
15 than 500 people per square mile according to the most recent decennial federal census. The
16 development tier designation of a county shall be determined as provided in G.S. 143B-437.08. The
17 funds available for grants or loans under this program may be used as follows:

- 18 (1) To construct critical water and wastewater facilities or to provide other
19 infrastructure needs, including, but not limited to, natural gas, broadband, and
20 rail to sites where these facilities will generate private job-creating investment.
21 The grants under this subdivision shall not be subject to the provisions of
22 G.S. 143-355.4.
- 23 (2) To provide matching grants or loans to local government units ~~located in either~~
24 ~~(i) a development tier one or tier two area or (ii) a rural census tract in a~~
25 ~~development tier three area~~ that will productively reuse or demolish buildings
26 and properties or construct or expand rural health care facilities, with priority
27 given to towns or communities with populations of less than 5,000. ~~The~~
28 ~~development tier designation of a county shall be determined as provided in~~
29 ~~G.S. 143B-437.08. For purposes of this section, the term "rural census tract"~~
30 ~~means a census tract having a population density of less than 500 people per~~
31 ~~square mile according to the most recent decennial federal census.~~

32"
33

House Only

UNDERSERVED AND LIMITED RESOURCE COMMUNITIES/ECONOMIC DEVELOPMENT GRANTS

SECTION 15.7. 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.
- (4) The names of the community partners or businesses involved in the economic development activity, service, or project, and a description of the ways in which the partners or businesses contributed to the activity, service, or project.
- (5) The amount of matching funds or other significant source of funding provided by the grantee."

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2 **Senate Only**

3 **MAIN STREET SOLUTIONS FUND ALLOCATION**

4 **SECTION 15.8A.(a)** Of the funds appropriated by this act to the Department of
5 Commerce for the Main Street Solutions Fund for the 2015-2016 fiscal year, the Department shall
6 allocate one million dollars (\$1,000,000) in nonrecurring funds for the 2015-2016 fiscal year for a
7 downtown revitalization project that will stimulate economic growth along the main street corridor
8 of a municipality meeting all of the following:

- 9 (1) The municipality had a population, as of July 2013, of not fewer than 105,000
10 and not in excess of 110,000.
11 (2) The municipality is located, in whole or in part, in a county that moved from a
12 development tier three area status to development tier two area status in the
13 annual ranking performed by the Department of Commerce pursuant to
14 G.S. 143B-437.08 for the 2015 calendar year.
15 (3) The municipality provides no less than one dollar forty-three cents (\$1.43) for
16 every one dollar (\$1.00) allocated from the Fund.

17 **SECTION 15.8A.(b)** Of the funds appropriated in this act to the Department of
18 Commerce for the Main Street Solutions Fund for the 2015-2016 fiscal year, the Department shall
19 allocate one hundred thousand dollars (\$100,000) in nonrecurring funds for the 2015-2016 fiscal
20 year to Renaissance West Community Initiative to provide quality housing, education, health,
21 wellness, and opportunity.
22

1
2 **Senate Only**

3 **WANCHESE MARINE INDUSTRIAL PARK**

4 **SECTION 15.8B.(a)** The Department of Commerce shall transfer the cash balance
5 remaining in fund code 14600-1561 on June 30, 2015, to an enterprise fund created for the North
6 Carolina Marine Industrial Park. Thereafter, the enterprise fund shall be used for the operations,
7 maintenance, repair, and capital improvements of the Wanchese Marine Industrial Park.

8 **SECTION 15.8B.(b)** This section becomes effective June 30, 2015.
9

House and Senate Differ- (Technical changes only; Senate is correct version)

Senate Version

WORKFORCE DEVELOPMENT BOARDS/CHANGES TO CONFORM WITH FEDERAL LAW

SECTION 15.11.(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.~~Membership. – ~~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 subdivision (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 15.11.(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 15.11.(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 15.11.(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 15.11.(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 15.11.(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 15.11.(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 15.11.(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-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 Opportunity~~ Act local workforce ~~investment-development~~ areas based on the following formula:

- (1) One-half of the funds shall be allocated on the basis of the relative share of the local workforce ~~investment-development~~ area's share of federal Workforce ~~Investment-Innovation and Opportunity~~ Act, title I adult funds as compared to the total of all local areas adult shares under the federal Workforce ~~Investment-Innovation and Opportunity~~ Act, title I.
- (2) One-half of the funds shall be allocated on the basis of the relative share of the local workforce ~~investment-development~~ area's share of federal Workforce ~~Investment-Innovation and Opportunity~~ Act, title I dislocated worker funds as compared to the total of all local areas dislocated worker shares under the federal Workforce ~~Investment-Innovation and Opportunity~~ Act, title I.
- (3) Local workforce ~~investment-development~~ area adult and dislocated shares shall be calculated using the current year's allocations to local areas under the federal Workforce ~~Investment-Innovation and Opportunity~~ Act, title I.

(d) Repealed by Session Laws 2009-451, s. 14.5(d), effective July 1, 2009.

(e) Nonreverting Funds. – Funds appropriated to the Department of Commerce for the Employment and Training Grant Program that are not expended at the end of the fiscal year shall

1 not revert to the General Fund, but shall remain available to the Department for the purposes
2 established in this section."

3 **SECTION 15.11.(i)** G.S. 143B-438.14 reads as rewritten:

4 **"§ 143B-438.14. "No Adult Left Behind" Initiative.**

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

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

20 ...
21 | (c) The ~~Commission on Workforce Development~~ NCWorks Commission and the other lead
22 participating institutions may enter into contracts with other qualified organizations, especially
23 community-based nonprofits, to carry out components of the Initiative set forth in subsection (b) of
24 this section.

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

28"

29 **SECTION 15.11.(j)** The Revisor of Statutes may conform names and titles changed by
30 this section, and may correct statutory references as required by this section, throughout the General
31 Statutes. In making the changes authorized by this section, the Revisor may also adjust subject and
32 verb agreement and the placement of conjunctions.
33
34

1
2 **Senate Only**

3 **INDUSTRIAL COMMISSION STUDY IMPLEMENTING DRUG FORMULARY IN**
4 **WORKERS' COMPENSATION CLAIMS**

5 **SECTION 15.13A.(a)** The Industrial Commission shall study the implementation of a
6 drug formulary in workers' compensation claims filed by State employees. The study shall consider
7 (i) the pharmacy-related expenses incurred by the State on an annual basis in workers' compensation
8 claims; (ii) the savings, if any, that would result from the use of a drug formulary in workers'
9 compensation claims; (iii) whether the use of a drug formulary would result in the more efficient
10 delivery of medications, provide workers with reasonable and necessary care, and provide a
11 disincentive for health care providers to utilize costly name brand drugs and habit-forming opioids
12 and narcotics; and (iv) the adoption of an appeals process that would allow health care providers
13 and injured workers to seek approval for the use of drugs that are not on the formulary's approved
14 list. The Industrial Commission may consider any other issues relevant to the implementation of a
15 drug formulary in workers' compensation claims.

16 **SECTION 15.13A.(b)** By April 1, 2016, the Industrial Commission shall report its
17 findings, including any recommendations on the implementation of a drug formulary in workers'
18 compensation claims filed by State employees, to the chairs of the House of Representatives Health
19 Committee and the Senate Health Care Committee and the Fiscal Research Division.
20

Senate Only

INDUSTRIAL COMMISSION/REIMBURSEMENT FOR PRESCRIPTION DRUGS AND PROFESSIONAL PHARMACEUTICAL SERVICES

SECTION 15.13B.(a) G.S. 97-26.2 reads as rewritten:

"§ 97-26.2. Reimbursement for prescription ~~drugs~~drugs, prescribed over-the-counter drugs, and professional pharmaceutical services.

(a) The reimbursement amount for prescription ~~drugs~~drugs, prescribed over-the-counter drugs, and professional pharmaceutical services shall be limited to the lesser of ninety-five percent (95%) of the average wholesale price (AWP) of the product, calculated on a per unit basis, as of the date of ~~dispensing~~dispensing or the reimbursement amount provided for in an agreement between the dispensing health care provider and the payor employer or workers' compensation insurance carrier.

(b) All of the following shall apply to the reimbursement for prescription drugs and professional pharmaceutical services:

(1) A health care provider seeking reimbursement for ~~drugs dispensed by a physician health care provider~~dispensed prescription drugs, prescribed over-the-counter drugs, and pharmaceutical services shall include the original manufacturer's National Drug Code (NDC) number, as assigned by the United States Food and Drug Administration, on ~~the bills and reports required by this section~~any billing documents or invoices issued.

(2) In no event may a ~~physician~~health care provider receive reimbursement in excess of ninety-five percent (95%) of the AWP of the drugs dispensed by a ~~physician~~health care provider, as determined by reference to the original manufacturer's NDC number.

(3) A repackaged NDC number may not be individually used on any billing documents or invoices issued, and will not be considered the original manufacturer's NDC number. A repackaged NDC number may only appear in conjunction with the manufacturer's NDC number. If a health care provider seeking reimbursement for drugs dispensed by a ~~physician~~health care provider does not include the original manufacturer's NDC number on ~~the bills and reports required by this section~~any billing documents or invoices issued, reimbursement shall be limited to one hundred percent (100%) of the AWP of the least expensive clinically equivalent drug, calculated on a per unit basis.

(4) No outpatient health care provider, other than a licensed pharmacy, may receive reimbursement for a Schedule II controlled substance, as defined in G.S. 90-90, ~~or~~a Schedule III controlled substance, as defined in G.S. 90-91, a Schedule IV controlled substance, as defined in G.S. 90-92, or a Schedule V controlled substance, as defined in G.S. 90-93, dispensed in excess of an initial five-day supply, commencing upon the employee's initial treatment following injury. Reimbursement under this subdivision shall be made for the five-day supply at the rates provided in this section.

(5) For purposes of this section, the term "clinically equivalent" means a drug has chemical equivalents which, when administered in the same amounts, will provide essentially the same therapeutic effect as measured by the control of a symptom or disease."

SECTION 15.13B.(b) This section becomes effective September 1, 2015.

House and Senate Differ- (Technical changes only; Senate is correct version)

Senate Version

SET REGULATORY FEE FOR UTILITIES COMMISSION

SECTION 15.16.(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 15.16.(b) Subdivisions 14.19(e1)(4), (5), (6), and (10) of S.L. 2009-451 are repealed.

SECTION 15.16.(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:

Noncompetitive jurisdictional revenues 0.148%

Subsection (h) competitive jurisdictional revenues 0.06%

Subsection (m) competitive jurisdictional revenues 0.05%

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 jurisdictional 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 15.16.(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 jurisdictional 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> "

SECTION 15.16.(e) Subsection (c) of this section is effective July 1, 2015, and applies to jurisdictional revenues earned in each quarter that begins on or after July 1, 2015. Subsection (d) of this section is effective July 1, 2016, and applies to jurisdictional revenues earned in each quarter that begins on or after July 1, 2016. The remainder of this section is effective on the date this **section** becomes law.

1
2 **Senate Only**

3 **UTILITY COMMISSION FEES AND CHARGES**

4 **SECTION 15.16A.(a)** The Utilities Commission and Public Staff shall jointly review
5 all fees and charges provided for in G.S. 62-300 to determine (i) whether the fees and charges are
6 sufficient to cover the costs of processing the applications and filings required by G.S. 62-300 and
7 (ii) whether new categories should be established to impose fees or charges on persons or entities
8 who make applications or filings to the Utilities Commission but are not expressly included in any
9 of the current categories listed in G.S. 62-300. The review may also include any other relevant
10 matters related to fees and charges for applications and filings made to the Utilities Commission.

11 **SECTION 15.16A.(b)** By April 1, 2016, the Utilities Commission and Public Staff
12 shall report their findings, including any recommendations on amending the fees and charges for
13 applications and filings under G.S. 62-300, to the Joint Legislative Commission on Energy Policy,
14 the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural
15 and Economic Resources and the Senate Appropriations Committee on Natural and Economic
16 Resources, and the Fiscal Research Division.
17

1
2 **Senate Only**

3 **MUNICIPAL SERVICE DISTRICTS/CONTRACTS & REFERENDUM AUTHORITY**

4 **SECTION 15.16B.(a)** G.S. 160A-536 reads as rewritten:

5 **"§ 160A-536. Purposes for which districts may be established.**

6 ...

7 (d) Contracts. – A city may provide services, facilities, functions, or promotional and
8 developmental activities in a service district with its own forces, through a contract with another
9 governmental agency, through a contract with a private agency, or by any combination thereof. Any
10 contracts entered into pursuant to this ~~paragraph-subsection~~ shall (i) specify the purposes for which
11 city moneys are to be ~~used and shall used~~, (ii) require specific approval by the city council for all
12 expenditures of moneys pursuant to the contract, and (iii) require an appropriate accounting for
13 those moneys at the end of each fiscal year or other appropriate period.

14"

15 **SECTION 15.16B.(b)** G.S. 160A-541 reads as rewritten:

16 **"§ 160A-541. Abolition of service ~~districts~~districts by city council.**

17 Upon finding that there is no longer a need for a particular service district, the city council may
18 by resolution abolish that district. The council shall hold a public hearing before adopting a
19 resolution abolishing a district. Notice of the hearing shall state the date, hour and place of the
20 hearing, and its subject, and shall be published at least once not less than one week before the date
21 of the hearing. The abolition of any service district shall take effect at the end of a fiscal year
22 following passage of the resolution, as determined by the council."

23 **SECTION 15.16B.(c)** Article 23 of Chapter 160A of the General Statutes is amended
24 by adding a new section to read as follows:

25 **"§ 160A-541.1. Abolition of service districts by referendum.**

26 (a) A petition seeking the abolition of any service district established under G.S. 160A-536
27 shall be filed with the city clerk, who shall immediately forward the petition to the county board of
28 elections that conducts elections for the city. The petition shall bear the signatures equal in number
29 to at least fifteen percent (15%) of the registered voters of the service district, as shown by the
30 registration records of the last preceding general municipal election, each voter's residence address,
31 and each voter's date of birth.

32 (b) The county board of elections shall verify the petition signatures. If a sufficient petition
33 is submitted, the county board of elections shall certify its sufficiency to the city council, and the
34 city council shall adopt a resolution setting the date for the referendum. The city council shall notify
35 the county board of elections of the date set for the referendum and shall provide the board with a
36 legible map and clear written description of the affected service district. The referendum may be
37 called only if there are no outstanding general obligation bonds of the service district. No
38 referendum shall be held in a service district in which there are no voters.

39 (c) The county board of elections shall cause legal notice of the election to be published.
40 The notice shall include the general statement of the referendum. The referendum shall be
41 conducted, returned, and the results declared as in other municipal elections in the city. Only
42 registered voters of the affected service district shall be allowed to vote on the referendum. The city
43 shall reimburse the county board of elections for the cost incurred in conducting the election, as
44 required by G.S. 163-284.

45 (d) The referendum of the proposed abolition of more than one service district may be
46 submitted at the same election, but, as to the proposed abolition of each service district, there shall
47 be an entirely separate ballot question.

48 (e) The ballots used in a referendum shall submit the following proposition:

49 "[] FOR [] AGAINST

50 The abolition of (name of the service district)."

1 (f) If a majority of the votes cast are in favor of abolishing the service district, the abolition
2 of the service district shall take effect at the end of the fiscal year immediately following the date
3 the county board of elections certifies the results of the election, and the city council shall thereafter
4 have no authority to levy a tax under G.S. 160A-542 within the abolished service district. If a
5 majority of the votes cast are against abolishing the service district, the service district shall remain
6 in effect until amended or abolished as provided for in this Article."

7 **SECTION 15.16B.(d)** This section is effective when this act becomes law.
8

1
2 **House Only**

3 **NC BIOTECHNOLOGY CENTER**

4 **SECTION 15.17.(a)** Of the funds appropriated in this act to the North Carolina
5 Biotechnology Center (hereinafter "Center"), the sum of thirteen million six hundred thousand three
6 hundred thirty-eight dollars (\$13,600,338) for each fiscal year in the 2015-2017 biennium shall be
7 allocated as follows:

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

16 **SECTION 15.17.(b)** The Center shall prioritize funding and distribution of loans over
17 existing funding and distribution of grants.

18 **SECTION 15.17.(c)** Except to provide administrative flexibility, up to ten percent
19 (10%) of each of the allocations in subsection (a) of this section may be reallocated to one or more
20 of the other allocations in subsection (a) of this section if, in the judgment of Center management,
21 the reallocation will advance the mission of the Center.

22 **SECTION 15.17.(d)** The Center shall comply with the following reporting
23 requirements:

- 24 (1) By September 1 of each year, and more frequently as requested, report to the
25 Joint Legislative Commission on Governmental Operations and the Fiscal
26 Research Division on prior State fiscal year program activities, objectives, and
27 accomplishments and prior State fiscal year itemized expenditures and fund
28 sources.
29 (2) Provide to the Fiscal Research Division a copy of the Center's annual audited
30 financial statement within 30 days of issuance of the statement.
31

House and Senate Differ

House Version

GRASSROOTS SCIENCE PROGRAM

SECTION 15.18.(a) Of the funds appropriated in this act to the Department of Commerce for State-Aid, the sum of **two million seven hundred forty-eight thousand four hundred twenty-nine dollars (\$2,748,429)** is allocated as grants-in-aid **for each fiscal year of the 2015-2017 biennium as follows:**

	2015-2016	2016-2017
Aurora Fossil Museum	\$61,404	\$61,404
Cape Fear Museum	\$77,682	\$77,682
Carolina Raptor Center	\$77,642	\$77,642
Catawba Science Center	\$94,681	\$94,681
Colburn Earth Science Museum, Inc.	\$63,060	\$63,060
Core Sound Waterfowl Museum	\$69,313	\$69,313
Cowan Museum of History and Science	\$58,959	\$58,959
Discovery Place	\$350,247	\$350,247
Discovery Place KIDS (Rockingham)	\$58,000	\$58,000
Eastern NC Regional Science Center	\$59,720	\$59,720
Fascinate-U	\$66,591	\$66,591
Granville County Museum Commission, Inc. – Harris Gallery	\$61,003	\$61,003
Greensboro Children's Museum	\$83,384	\$83,384
Greensboro Science Center	\$138,404	\$138,404
Hands On! – A Child's Gallery	\$62,225	\$62,225
Highlands Nature Center	\$63,038	\$63,038
Imagination Station	\$65,853	\$65,853
The Iredell Museums, Inc.	\$60,850	\$60,850
Kidsenses	\$63,781	\$63,781
Marbles Kids Museum	\$157,546	\$157,546
Museum of Coastal Carolina	\$66,839	\$66,839
North Carolina Estuarium	\$62,551	\$62,551
North Carolina Museum of Life and Science	\$208,639	\$208,639
Pisgah Astronomical Research Institute	\$84,619	\$84,619
Port Discover: Northeastern North Carolina's Center for Hands-On Science, Inc.	\$60,959	\$60,959
Rocky Mount Children's Museum	\$65,438	\$65,438
Schiele Museum of Natural History and Planetarium, Inc.	\$102,352	\$102,352
Sci Works Science Center and Environmental Park of Forsyth County	\$89,194	\$89,194
Sylvan Heights Waterfowl Park and Eco-Center	\$71,215	\$71,215
Western North Carolina Nature Center	\$72,978	\$72,978
Wilmington Children's Museum	\$70,262	\$70,262

Total

\$2,748,429

\$2,748,429

SECTION 15.18.(b) No later than March 1, 2016, the Department of Commerce shall report to the Fiscal Research Division all of the following information for each museum that receives funds under this section:

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

SECTION 15.18.(c) No later than March 1, 2017, the Department of Commerce shall report to the Fiscal Research Division all of the following information for each museum that receives funds under this section:

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

SECTION 15.18.(d) As a condition for qualifying to receive funding under this section, all of the following documentation shall, no later than November 1 of each year of the 2015-2017 fiscal biennium, be submitted for each museum under this section to the Department of Commerce for the fiscal year that most recently ended and only those costs that are properly documented under this subsection are allowed by the Department in calculating the distribution of funds under this section:

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

1 **SECTION 15.18.(e)** As used in subsection (d) of this section, "friends association"
2 means a nonprofit corporation established for the purpose of supporting and assisting a museum that
3 receives funding under this section.

4 **SECTION 15.18.(f)** Each museum listed in subsection (a) of this section shall do the
5 following:

- 6 (1) By September 1 of each year, and more frequently as requested, report to the
7 Joint Legislative Commission on Governmental Operations and the Fiscal
8 Research Division on prior State fiscal year program activities, objectives, and
9 accomplishments and prior State fiscal year itemized expenditures and fund
10 sources.
- 11 (2) Provide to the Fiscal Research Division a copy of the organization's annual
12 audited financial statement within 30 days of issuance of the statement.
13
14

Senate Version

GRASSROOTS SCIENCE PROGRAM

SECTION 15.18.(a) Of the funds appropriated in this act to the Department of Commerce for State-Aid, the sum of **two million two hundred fifty thousand dollars (\$2,250,000)** is allocated as grants-in-aid **for the 2015-2016 fiscal year:**

	2015-2016
Aurora Fossil Museum	\$60,526
Cape Fear Museum	\$60,488
Carolina Raptor Center	\$60,483
Catawba Science Center	\$93,328
Colburn Earth Science Museum, Inc.	\$58,640
Core Sound Waterfowl Museum	\$59,430
Cowan Museum of History and Science	\$58,514
Dan Nicholas Park (Rowan County)	\$58,000
Discovery Place	\$94,939
Discovery Place KIDS (Rockingham)	\$58,000
Eastern NC Regional Science Center	\$59,637
Fascinate-U	\$65,792
Granville County Museum Commission, Inc. – Harris Gallery	\$61,068
Greensboro Children's Museum	\$79,322
Greensboro Science Center	\$115,410
Hands On! – A Child's Gallery	\$58,534
Highlands Nature Center	\$62,887
Imagination Station	\$65,349
The Iredell Museums, Inc.	\$58,360
Kidsenses	\$64,967
Marbles Kids Museum	\$70,582
Museum of Coastal Carolina	\$59,117
North Carolina Estuarium	\$62,359
North Carolina Museum of Life and Science	\$77,040
Pisgah Astronomical Research Institute	\$83,281
Port Discover: Northeastern North Carolina's Center for Hands-On Science, Inc.	\$60,248
Rocky Mount Children's Museum	\$67,464
Schiele Museum of Natural History and Planetarium, Inc.	\$107,868
Sci Works Science Center and Environmental Park of Forsyth County	\$61,943
Sylvan Heights Waterfowl Park and Eco-Center	\$68,981
The Rankin Museum, Inc.	\$58,000
Western North Carolina Nature Center	\$59,893
Wilmington Children's Museum	\$59,550
Total	\$2,250,000.

1 **SECTION 15.18.(b)** No later than March 1, 2016, the Department of Commerce shall
2 report to the Fiscal Research Division all of the following information for each museum that
3 receives funds under this section:

- 4 (1) For museums that operate on a fiscal year, the actual operating budget for the
5 2014-2015 fiscal year. For museums that operate on a calendar year, the actual
6 operating budget for the 2014 calendar year.
- 7 (2) The proposed operating budget for the 2015-2016 fiscal year.
- 8 (3) The total attendance at the museum during the 2015 calendar year.

9 **SECTION 15.18.(c)** As a condition for qualifying to receive funding under this section,
10 all of the following documentation shall, no later than November 1, 2015, be submitted for each
11 museum under this section to the Department of Commerce for the fiscal year that most recently
12 ended and only those costs that are properly documented under this subsection are allowed by the
13 Department in calculating the distribution of funds under this section:

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

38 **SECTION 15.18.(d)** As used in subsection (c) of this section, "friends association"
39 means a nonprofit corporation established for the purpose of supporting and assisting a museum that
40 receives funding under this section.

41 **SECTION 15.18.(e)** Each museum listed in subsection (a) of this section shall do the
42 following:

- 43 (1) By September 1, 2015, and more frequently as requested, report to the Joint
44 Legislative Commission on Governmental Operations and the Fiscal Research
45 Division on prior State fiscal year program activities, objectives, and
46 accomplishments and prior State fiscal year itemized expenditures and fund
47 sources.
- 48 (2) Provide to the Fiscal Research Division a copy of the museum's annual audited
49 financial statement within 30 days of issuance of the statement.

1
2 **Senate Only**

3 **GRASSROOTS SCIENCE PROGRAM/COMPETITIVE GRANT PROGRAM**

4 **SECTION 15.18A.(a)** Effective July 1, 2016, the Grassroots Science Program within
5 the Department of Commerce is transferred to the North Carolina State Museum of Natural
6 Sciences in the Department of Natural and Cultural Resources, as enacted by Section 14.30 of this
7 act.

8 **SECTION 15.18A.(b)** Part 40 of Article 2 of Chapter 143B of the General Statutes, as
9 enacted by Section 14.30 of this act, is amended by adding a new section to read as follows:

10 **"§ 143B-135.227. Grassroots science competitive grant program.**

11 (a) The North Carolina State Museum of Natural Sciences (hereinafter "Museum of Natural
12 Sciences") shall administer the Grassroots Science Program as a competitive grant program. Any
13 museum in the State may apply for a grant under the program, including a museum that has
14 received a grant-in-aid as a grassroots science museum in prior fiscal years, but grant funds shall be
15 awarded only if the museum meets the criteria established in subsection (c) of this section. No
16 museum shall be guaranteed a grant under the competitive grant program.

17 (b) For each fiscal year, the Museum of Natural Sciences shall reserve seven hundred fifty
18 thousand dollars (\$750,000) for the purpose of awarding grants to museums located in development
19 tier one counties and six hundred thousand dollars (\$600,000) for museums located in development
20 tier two counties. The development tier designation of a county shall be determined as provided in
21 G.S. 143B-437.08. If, after the initial awarding of grants to all museum applicants who meet the
22 eligibility criteria provided for in subsection (c) of this section, there are funds remaining in any
23 development tier category, the Museum of Natural Sciences may reallocate those funds to another
24 development tier category. The maximum amount of each grant awarded in each fiscal year shall be
25 (i) seventy-five thousand dollars (\$75,000) for a museum in a development tier one county; (ii)
26 sixty thousand dollars (\$60,000) for a museum in a development tier two county; and (iii) fifty
27 thousand (\$50,000) for a museum in a development tier three county.

28 (c) To be eligible to receive a grant under the competitive grant program, a museum shall
29 demonstrate:

- 30 (1) That it is a science center or museum or a children's museum that is physically
31 located in the State.
32 (2) That it has been open, operating, and exhibiting science or Science, Technology,
33 Engineering, and Math (STEM) education objects to the general public at least
34 120 days of each year for the past two or more years.
35 (3) That it is a nonprofit organization that is exempt from federal income taxes
36 pursuant to section 501(c)(3) of the Internal Revenue Code.
37 (4) That it has on its staff at least one full-time professional person.
38 (5) That its governing body has adopted a mission statement that includes language
39 that shows the museum has a concentration on science or STEM education and
40 that the adopted mission statement has been in effect for the past two or more
41 years.

42 (d) The Museum of Natural Sciences shall, in awarding grants under this section, give
43 priority to museums that:

- 44 (1) When compared to other museum applicants:
45 a. Are located in counties that are more economically distressed according
46 to the annual rankings prepared by the Department of Commerce
47 pursuant to G.S. 143B-437.08(c).
48 b. Generate a larger portion of their operating funds from non-State revenue.
49 c. Have a higher attendance to population ratio.

- 1 (2) Partner with other museums in the State to share exhibits, programs, or other
2 activities.
3 (3) Are not located in close proximity to other science or STEM education
4 museums."

5 **SECTION 15.18A.(c)** Subsection (b) of this section is effective July 1, 2016.

6 **SECTION 15.18A.(d)** By March 1, 2016, the Museum of Natural Sciences shall submit
7 guidelines for the submission of applications and the awarding of grants for the competitive grant
8 program provided for in subsection (b) of this section to the chairs of the House of Representatives
9 Appropriations Committee on Agriculture and Natural and Economic Resources and the Senate
10 Appropriations Committee on Natural and Economic Resources and the Fiscal Research Division.
11

House and Senate Differ

House Version

COMMERCE NONPROFITS/REPORTING REQUIREMENTS

SECTION 15.19. Cleveland County ALWS Baseball, Inc., High Point Furniture Market Authority, North Carolina Arboretum, RTI International, and The Support Center 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 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 entity's annual audited financial statement within 30 days of issuance of the statement.

Senate Version

COMMERCE NONPROFITS/REPORTING REQUIREMENTS

SECTION 15.19. High Point Furniture Market Authority 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 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 Authority's annual audited financial statement within 30 days of issuance of the statement.

1
2 **House Only**

3 **NC ARBORETUM/FUNDS**

4 **SECTION 15.20.(a)** Of the funds appropriated in this act to the Department of
5 Commerce for State-Aid, the sum of eight hundred fifty-eight thousand three hundred eighty dollars
6 (\$858,380) in nonrecurring funds for each year of the 2015-2017 biennium shall be allocated to the
7 North Carolina Arboretum (Arboretum) as follows:

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

10 **SECTION 15.20.(b)** The Arboretum shall, by March 1, 2016, and March 1, 2017,
11 report to the chairs of the House of Representatives Appropriations Committee on Agriculture and
12 Natural and Economic Resources and the Senate Appropriations Committee on Natural and
13 Economic Resources and the Fiscal Research Division on the Arboretum's efforts to attract, grow,
14 and support the natural and nutraceutical product industry.
15

1
2 **House Only**

3 **FUNDS FOR THE BREVARD STATION MUSEUM**

4 **SECTION 15.21.(a)** Of the funds appropriated in this act to the Department of
5 Commerce for State Aid, the sum of fifty thousand dollars (\$50,000) in nonrecurring funds for the
6 2015-2016 fiscal year shall be allocated to the Town of Stanley to distribute to the Brevard Station
7 Museum. These funds shall be used by the Museum to support its efforts to preserve the history of
8 Stanley, North Carolina.

9 **SECTION 15.21.(b)** The Town of Stanley shall do the following:

- 10 (1) By September 1 of each year, and more frequently as requested, report to the
11 Joint Legislative Commission on Governmental Operations and the Fiscal
12 Research Division on the Museum's prior State fiscal year activities, objectives,
13 and accomplishments and prior State fiscal year itemized expenditures and fund
14 sources.
- 15 (2) Provide to the Fiscal Research Division a copy of the Museum's annual audited
16 financial statement within 30 days of issuance of the statement.
17

1
2 **House Only**

3 **HEALTHY FOOD SMALL RETAILERS**

4 **SECTION 15.22.** If House Bill 250 of the 2015 Regular Session becomes law, then one
5 million dollars (\$1,000,000) in recurring funds appropriated in this act for pending legislation shall
6 be allocated to the Healthy Food Small Retailer Fund to be used for purposes consistent with that
7 act.
8

1
2 **House Only**

3 **LOTTERY PROCEEDS DISCLOSURE**

4 **SECTION 15.23.** G.S. 18C-115 reads as rewritten:

5 **"§ 18C-115. Reports.**

6 | (a) Reports on Operation of the Commission. – The Commission shall send quarterly and
7 annual reports on the operations of the Commission to the Governor, State Treasurer, and to the
8 General Assembly. The reports shall include complete statements of lottery revenues, prize
9 disbursements, expenses, net revenues, and all other financial transactions involving lottery funds,
10 including the occurrence of any audit.

11 | (b) Disclosure of Proceeds From Lottery Funding. – Each State department or agency
12 receiving lottery funds shall use its established communications channels to inform the public about
13 amounts received and activities supported by lottery proceeds."
14

1
2 **Senate Only**

3 **CREATE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON NATURAL AND**
4 **ECONOMIC RESOURCES**

5 **SECTION 15.24.(a)** Chapter 120 of the General Statutes is amended by adding a new
6 Article to read:

7 "Article 36.

8 "Joint Legislative Oversight Committee on Natural and Economic Resources.

9 "**§ 120-310. Creation and membership of Joint Legislative Oversight Committee on Natural**
10 **and Economic Resources.**

11 (a) The Joint Legislative Oversight Committee on Natural and Economic Resources is
12 established. The Committee consists of 12 members as follows:

13 (1) Six members of the Senate appointed by the President Pro Tempore of the
14 Senate. At least three of the members shall be members of the Senate
15 appropriations committee that has jurisdiction over the agencies set out in
16 G.S. 120-296(a)(1).

17 (2) Six members of the House of Representatives appointed by the Speaker of the
18 House of Representatives. At least three of the members shall be members of the
19 House of Representatives appropriations committee that has jurisdiction over the
20 agencies set out in G.S. 120-296(a)(1).

21 (b) Terms on the Committee are for two years and begin on the convening of the General
22 Assembly in each odd-numbered year. Members may complete a term of service on the Committee
23 even if they do not seek reelection or are not reelected to the General Assembly, but resignation or
24 removal from service in the General Assembly constitutes resignation or removal from service on
25 the Committee.

26 (c) A member continues to serve until a successor is appointed. A vacancy shall be filled
27 within 30 days by the officer who made the original appointment.

28 "**§ 120-311. Purpose and powers of Committee.**

29 (a) The Joint Legislative Oversight Committee on Natural and Economic Resources shall
30 examine on a continuing basis the services provided by the departments and agencies set out in this
31 subsection in order to make ongoing recommendations to the General Assembly on ways to
32 improve the effectiveness, efficiency, and quality of State government services. The Committee has
33 the following powers and duties:

34 (1) Study the programs, organization, operations, and policies of the following
35 agencies:

36 a. Department of Agriculture and Consumer Services.

37 b. Department of Environmental Quality.

38 c. Department of Natural and Cultural Resources.

39 d. Wildlife Resources Commission.

40 e. Department of Labor.

41 f. Department of Commerce.

42 g. Any other agency under the jurisdiction of the Senate and House of
43 Representatives appropriations committees on agriculture, natural, or
44 economic resources.

45 (2) Review compliance of budget actions directed by the General Assembly.

46 (3) Monitor expenditures, deviations, and changes made by the agencies set out in
47 subdivision (1) of subsection (a) of this section to the certified budget.

48 (4) Review policy changes as directed by law.

49 (5) Receive presentations of reports from agencies directed in the law, including
50 audits, studies, and other reports.

- (6) Review any issues that arise during the interim period between sessions of the General Assembly and provide a venue for any of these issues to be heard in a public setting.
- (7) Monitor the quality of services provided by **cultural, natural, and economic resources** agencies to other agencies and the public.
- (8) Identify opportunities for **cultural, natural, and economic resources** agencies to coordinate and collaborate to eliminate duplicative functions.
- (9) Have presentations and reports on any other matters that the Committee considers necessary to fulfill its mandate.

(b) The Committee may make reports to the General Assembly. A report to the General Assembly may contain legislation needed to implement a recommendation of the Committee.

"§ 120-312. Organization of Committee.

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Oversight Committee on **Natural and Economic Resources**. The Committee shall meet upon the joint call of the cochairs.

(b) A quorum of the Committee is five members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

(c) Members of the Committee shall receive subsistence and travel expenses as provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Directors of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

(d) The Committee cochairs may establish subcommittees for the purpose of examining issues relating to services provided by particular divisions within the State's **cultural, natural, and economic resources** departments.

"§ 120-313. Reports to Committee.

Whenever a department, office, or agency set out in subdivision (1) of subsection (a) of G.S. 120-296 is required by law to report to the General Assembly or to any of its permanent committees or subcommittees on matters affecting the services the department or agency provides, the department or agency shall transmit a copy of the report to the cochairs of the Joint Legislative Oversight Committee on **Natural and Economic Resources**."

SECTION 15.24.(b) This section is effective August 1, 2015.