GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

HOUSE BILL 600
RATIFIED BILL

AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

PART I. AGRICULTURE, ENERGY, ENVIRONMENT, AND NATURAL RESOURCES PROVISIONS

WATER SUPPLY WATERSHED PROTECTION CHANGES

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

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

…

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

(1) The property was developed prior to the effective date of the local water supply watershed program.

(2) The property has not been combined with additional lots after January 1, 2021.

(3) The property has not been a participant in a density averaging transaction under subsection (d2) of this section.

(4) The current use of the property is nonresidential.

(5) ~~In the sole discretion, and at the voluntary election,~~ At the election of the property owner, the stormwater from ~~all of the existing and new~~ any net increase in built-upon area on the property above the preexisting development is treated in accordance with all applicable local government, State, and federal laws and regulations.

(6) The remaining vegetated buffers on the property are preserved in accordance with the local water supply watershed protection program requirements.

…."

STORMWATER PROGRAM CHANGES

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

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

…

(b2) For purposes of implementing stormwater programs, "built-upon area" means impervious surface and partially impervious surface to the extent that the partially impervious surface does not allow water to infiltrate through the surface and into the subsoil. "Built-upon area" does not include a slatted deck; the water area of a swimming pool; a surface of number 57 stone, as designated by the American Society for Testing and Materials, laid at least four inches thick over a geotextile fabric; a trail as defined in G.S. 113A-85 that is either unpaved or paved as long as the pavement is porous with a hydraulic conductivity greater than 0.001 centimeters per second (1.41 inches per hour); or landscaping material, including, but not limited to, gravel,

mulch, sand, and vegetation, placed on areas that receive pedestrian or bicycle traffic or on portions of driveways and parking areas that will not be compacted by the weight of a vehicle, such as the area between sections of pavement that support the weight of a vehicle. The owner or developer of a property may opt out of any of the exemptions from "built-upon area" set out in this subsection. For State stormwater programs and local stormwater programs approved pursuant to subsection (d) of this section, all of the following shall apply:

…

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

…

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

…

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

(c) The Commission shall develop model stormwater management programs that may be implemented by State agencies and units of local government. Model stormwater management programs shall be developed to protect existing water uses and assure compliance with water quality standards and classifications. A State agency or unit of local government may submit to the Commission for its approval a stormwater control program or a stormwater permitting program for implementation within its jurisdiction. To this end, State agencies may adopt rules, and units of local government are authorized to adopt ordinances and regulations necessary to establish and enforce stormwater control ~~programs.~~ programs and stormwater permitting programs. Units of local government are authorized to create or designate agencies or subdivisions to administer and enforce the programs. Two or more units of local government are

authorized to establish a joint program or a joint stormwater permitting program and to enter into any agreements that are necessary for the proper administration and enforcement of the program.

…

(c7) The Department shall not require an applicant for a new permit to take any action with respect to an unaffiliated adjacent property and shall not condition issuance of a new permit on action to be taken by an existing permit holder with respect to the permitting of an unaffiliated adjacent property. For purposes of this section, the following definitions apply:

(1) "Applicant" means the person applying for a new permit to be issued pursuant to this section and, if the applicant is a business entity, applicant also includes (i) the parent, subsidiary, or other affiliate of the applicant, (ii) a partner, officer, director, member, or manager of the business entity, parent, subsidiary, or other affiliate of the applicant, and (iii) any person with a direct or indirect interest in the applicant, other than a minority shareholder of a publicly traded corporation who has no involvement in management or control of the corporation or any of its parents, subsidiaries, or affiliates.

(2) "Unaffiliated adjacent property" means a property (i) for which the applicant does not have, and has not had, an ownership interest and (ii) that is not subject to a permit issued pursuant to this section that also governs the property for which the new permit is sought.

(3) As used in this section, the words "affiliate," "parent," and "subsidiary" have the same meaning as in 17 Code of Federal Regulations § 240.12b-2.

(c8) The Department shall rescind a permit issued under this section without the consent of the permit holder where the permitted development has not been initiated within five years after the date of permit issuance. No less than 90 days prior to rescission, the Department shall notify the permit holder of its intent to rescind the permit and allow the permit holder 60 days in which to respond and request an extension of the permit.

…."

AMEND STORMWATER FEE CONSIDERATIONS

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

"(a1) (1) Before it establishes or revises a schedule of rates, fees, charges, or penalties for stormwater management programs and structural and natural stormwater and drainage systems under this section, the city council shall hold a public hearing on the matter. A notice of the hearing shall be given at least once in a newspaper having general circulation in the area, not less than seven days before the public hearing. The hearing may be held concurrently with the public hearing on the proposed budget ordinance.

(2) The fees established under this subsection must be made applicable throughout the area of the city. Schedules of rates, fees, charges, and penalties for providing stormwater management programs and structural and natural stormwater and drainage system service may vary according to whether the property served is residential, commercial, or industrial property, the property's use, the size of the property, the area of impervious surfaces on the property, the quantity and quality of the runoff from the property, stormwater control measures in use by the property, the characteristics of the watershed into which stormwater from the property drains, and other factors that affect the stormwater drainage system. Rates, fees, and charges imposed under this subsection may not exceed the city's cost of providing a stormwater management program and a structural and natural stormwater and drainage system. The city's cost of providing a stormwater management program and a structural and natural stormwater and drainage system includes any costs

necessary to assure that all aspects of stormwater quality and quantity are managed in accordance with federal and State laws, regulations, and rules.

…."

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

"(a1) (1) Before it establishes or revises a schedule of rates, fees, charges, or penalties for stormwater management programs and structural and natural stormwater and drainage systems under this section, the board of commissioners shall hold a public hearing on the matter. A notice of the hearing shall be given at least once in a newspaper having general circulation in the area, not less than seven days before the public hearing. The hearing may be held concurrently with the public hearing on the proposed budget ordinance.

(2) The fees established under this subsection must be made applicable throughout the area of the county outside municipalities. Schedules of rates, fees, charges, and penalties for providing stormwater management programs and structural and natural stormwater and drainage system service may vary according to whether the property served is residential, commercial, or industrial property, the property's use, the size of the property, the area of impervious surfaces on the property, the quantity and quality of the runoff from the property, stormwater control measures in use by the property, the characteristics of the watershed into which stormwater from the property drains, and other factors that affect the stormwater drainage system. Rates, fees, and charges imposed under this subsection may not exceed the county's cost of providing a stormwater management program and a structural and natural stormwater and drainage system. The county's cost of providing a stormwater management program and a structural and natural stormwater and drainage system includes any costs necessary to assure that all aspects of stormwater quality and quantity are managed in accordance with federal and State laws, regulations, and rules.

…."

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

EXEMPTION FROM REQUIREMENTS OF POST-CONSTRUCTION STORMWATER RULE

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

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

SECTION 4.(c) Implementation. – Public linear transportation projects undertaken by an entity other than the North Carolina Department of Transportation or a unit of local government, which are part of a common plan of development, shall be exempt from the requirements of the Post-Construction Stormwater Rule.

SECTION 4.(d) Additional Rulemaking Authority. – The Commission shall adopt a rule to amend the Post-Construction Stormwater Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in

G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

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

MODIFY CERTAIN RULES RELATED TO DEVELOPMENT DENSITY IN WATER SUPPLY WATERSHEDS, AS APPLICABLE IN IREDELL COUNTY AND THE TOWN OF MOORESVILLE

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

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

SECTION 5.(c) Implementation. – Notwithstanding 15A NCAC 02B .0624(7), Iredell County and the Town of Mooresville may regulate new development outside of WS-I watersheds and the critical areas of WS-II, WS-III, and WS-IV watersheds in accordance with the following requirement: a maximum of twenty percent (20%) of the land area of a water supply watershed outside of the critical area and within the local government's planning jurisdiction may be developed with new development projects and expansions of existing development of up to seventy percent (70%) built-upon area.

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

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

PHASED-IN MANDATORY COMMERCIAL AND RECREATIONAL REPORTING OF CERTAIN FISH HARVESTS

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

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

…

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

(1) Red Drum.
(2) Flounder.
(3) Spotted Seatrout.
(4) Striped Bass.
(5) Weakfish.

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

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

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

"(f) Violation of subsection (d) or (e) of this section shall only be punishable by ~~a verbal warning.~~issuance of a warning ticket pursuant to G.S. 113-140. Notwithstanding G.S. 113-140(c), an inspector or protector may issue additional warning tickets for repeat violations of subsection (d) or (e) of this section."

SECTION 6.(c) G.S. 113-170.3(f), as enacted by subsection (a) of this section and amended by subsection (b) of this act, reads as rewritten:

"(f) Violation of subsection (d) or (e) of this section shall only ~~be punishable by issuance of a warning ticket pursuant to G.S. 113-140. Notwithstanding G.S. 113-140(c), a marine fisheries inspector may issue additional warning tickets for repeat violations of subsection (d) or (e) of this section.~~be an infraction as provided in G.S. 14-3.1, punishable by a fine of thirty-five dollars ($35.00). A person responsible for an infraction under this subsection shall not be assessed court costs, but the Fisheries Director of the North Carolina Division of Marine Fisheries is authorized to suspend, revoke, or refuse to issue a commercial or recreational fishing license for any individual guilty of an infraction for violations of subsection (d) or (e) of this section pursuant to G.S. 113-171. The Executive Director of the Wildlife Resources Commission is authorized to revoke or refuse to issue a recreational fishing license issued by the Wildlife Resources Commission for any individual guilty of an infraction for violations of subsection (d) or (e) of this section for two consecutive years or upon failure to pay outstanding infraction fines when required to do so."

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

SECTION 6.(e) The Department of Environmental Quality and the Wildlife Resources Commission shall report on the implementation and response to the fishery reporting requirements imposed by subsection (a) of this section, including potential incentives to encourage reporting, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources no later than May 1 of each year.

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

ESTABLISH CERTAIN REQUIREMENTS FOR ISSUANCE OF 401 CERTIFICATIONS BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY FOR CERTAIN DREDGING PROJECTS OR FOR PROJECTS INVOLVING THE DISTRIBUTION OR TRANSMISSION OF ENERGY OR FUEL

SECTION 7.(a) Article 21 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"**§ 143-214.1A. Water quality certification requirements for certain projects.**

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

maintenance dredging projects partially funded by the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund and projects involving the distribution or transmission of energy or fuel, including natural gas, diesel, petroleum, or electricity:

(1) Within 30 days of the filing of such application, a supplemental application, or a supplemental information on a pending application, the Department shall (i) determine whether or not the application is complete and notify the applicant accordingly and (ii), if the Department determines an application is incomplete, specify all such deficiencies in the notice to the applicant. The applicant may file an amended application or supplemental information to cure the deficiencies identified by the Department for the Department's review. An application may be deemed incomplete only if it does not provide sufficient information necessary for the Department to determine if the proposed discharges into navigable waters will comply with State water quality requirements. If the Department fails to issue a notice as to whether or not the application is complete within the requisite 30-day period, the application shall be deemed complete. As used in this section, State water quality requirements means water quality standards approved by the United States Environmental Protection Agency pursuant to 33 U.S.C. § 1313(c)(3) and in effect for purposes of the federal Clean Water Act.

(2) Within five days of the date the application is deemed complete, the Department shall issue a public notice soliciting comment on the application. The Department shall either approve or deny an application within (i) 60 days of the date the application is deemed complete if no public hearing is held or (ii) 90 days of the date the application is deemed complete if a public hearing is held. Failure of the Department to approve or deny the application within the requisite 60-day or 90-day period, as applicable, shall result in a waiver of the certification requirement by the State, unless the applicant agrees, in writing, to an extension of time, which shall not exceed one year from the State's receipt of the application for certification. The 60-day or 90-day period, as applicable, for the Department to approve or deny an application established by this subdivision shall constitute the "reasonable period of time" for State action on an application for purposes of 33 U.S.C. § 1341(a)(1), absent a negotiated agreement with the federal permitting or licensing authority to extend that time frame for a period not to exceed one year.

(3) The Department shall issue a certification upon determining that the proposed discharges into navigable waters will comply with State water quality requirements. The Department shall include as conditions in a certification any applicable effluent limitations or other limitations necessary to assure the proposed discharges into navigable waters will comply with State water quality requirements. The Department shall not impose any other conditions in a certification.

(4) The Department shall deny a certification application only if it determines that no reasonable conditions would provide assurance that the proposed discharges into navigable waters will comply with State water quality requirements. The denial shall include a statement explaining why the Department determined the proposed discharges into navigable waters will not comply with the State water quality requirements.

(5) The Department may grant, deny, or waive certification but shall not require an applicant to withdraw an application.

(b) For the purposes of this section, the term "maintenance dredging project" means the repetitive removal of naturally recurring deposited bottom sediment such as sand, silt, and clays

in an existing navigation channel. The navigation channel may be a previously permitted channel that was constructed or maintained under permits issued by the State or federal government. If the navigation channel in use is a natural channel or, if a human-made channel was constructed before permitting was necessary, there shall be evidence that the channel was continuously used for a specific purpose. "Maintenance dredging project" does not include activities that increase the original depth and width of a human-made or natural channel to allow a new or expanded use of the channel."

SECTION 7.(b) This section is effective when it becomes law and applies to applications for 401 Certification pending or submitted on or after that date.

ENVIRONMENTAL MANAGEMENT COMMISSION TO STUDY NARRATIVE WATER QUALITY STANDARDS

SECTION 8. The Environmental Management Commission shall review 15A NCAC 02B .0208 (Standards for Toxic Substances and Temperature) to determine if the standards and methodologies for establishment of water quality criteria for specific pollutants included therein are scientifically sound, protective of human health and the environment, and result in water quality criteria that are technologically achievable without placing undue economic burdens on publicly owned treatment works and their ratepayers. In its review, the Commission shall examine (i) other states' narrative water quality standards and identify other states with more stringent and less stringent narrative standards and (ii) requirements established by the United States Environmental Protection Agency for development of narrative water quality standards and water quality criteria by states, as well as any discretion given to states to set standards and criteria. The Commission shall report its findings, including any recommendations for legislative action, to the Joint Legislative Commission on Governmental Operations no later than June 1, 2024.

DIRECT DEPARTMENT OF ENVIRONMENTAL QUALITY TO PREPARE A HUMAN HEALTH RISK ASSESSMENT FOR 1,4-DIOXANE IN DRINKING WATER AND EVALUATE COMMERCIALLY AVAILABLE TECHNOLOGY TO REMOVE 1,4 DIOXANE FROM WASTEWATER EFFLUENT

SECTION 9.(a) The Department of Environmental Quality shall prepare a human health risk assessment of 1,4-dioxane in drinking water supported by peer-reviewed scientific studies. The Department shall deliver the assessment to the Joint Legislative Commission on Governmental Operations no later than May 1, 2024.

SECTION 9.(b) The North Carolina Collaboratory shall evaluate the technologies that are commercially available to remove 1,4-dioxane from wastewater effluent at facilities at various flow volumes, including at flow volumes of greater than 1 million gallons per day. The Department shall report its findings of the technical and economic feasibility and limitations of each treatment technology and a cost benefit analysis to the Joint Legislative Commission on Governmental Operations no later than May 1, 2024.

SHALLOW DRAFT NAVIGATION CHANNEL DREDGING AND AQUATIC WEED FUND CHANGES

SECTION 10. G.S. 143-215.73F reads as rewritten:

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

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

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

(1) 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.

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

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

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

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

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

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

(b2) Invoice Approval Required. – Any invoices submitted to the Secretary for reimbursement or payment from the Fund for projects undertaken for the purpose set forth in subdivision (1) of subsection (b) of this section shall be signed by the representative of unit of local government sponsoring the project.

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

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

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

(3) The cost-share for an aquatic weed control project shall be at least one non-State dollar for every dollar from the Fund. The cost-share for an aquatic weed control project located within a component of the State Parks System shall be provided by the Division of Parks and Recreation of the Department of 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. 143B-135.56 for the cost-share.

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

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

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

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

(e) Definitions. – For purposes of this section, "shallow draft navigation channel" means (i) a waterway connection with a maximum depth of ~~16 feet~~ 18 feet, inclusive of the depth of overdepth for navigational depth compliance, 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. The term includes the Atlantic Intracoastal Waterway and its side channels, Beaufort Harbor, Bogue Inlet, Carolina Beach Inlet, Mason Inlet, Rich Inlet, Tubbs Inlet, the channel from Back Sound to Lookout Back, channels connected to federal navigation channels, Lockwoods Folly River, Manteo/Shallowbag Bay, Southport Small Boat Harbors, 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.

…."

PROHIBIT DREDGING MORATORIUM PERIODS NOT OTHERWISE REQUIRED BY FEDERAL LAW

SECTION 10.5. G.S. 113-229 is amended by adding a new subsection to read:

"(e2) The Department shall not include any condition in a permit issued pursuant to subsection (e) of this section that restricts dredging activities to a specified time frame, except those time frames, or moratorium periods, that are required pursuant to the federal Clean Water Act and Endangered Species Act, regulations promulgated thereunder, or other applicable federal law."

FLOTATION DEVICES REQUIREMENTS

SECTION 11.(a) Article 21 of Chapter 143 of the General Statutes is amended by adding a new Part to read:

"Part 12. Submersible Polystyrene Devices.

"**§ 143-215.74N. Definitions.**

The following definitions apply in this Article:

(1) Department. – The Department of Environmental Quality.

(2) Dock. – An unenclosed structure used for mooring boats or for similar recreational uses, such as sunbathing or as a swimming platform, which may either float or be secured to the adjacent or underlying land.

(3) Encapsulated. – A protective covering or physical barrier between the polystyrene device and the water.

(4) Float or floating structure. – A structure supported by polystyrene foam flotation and held in place by piling and mooring devices, including boathouses, floating homes, marinas, walkways, boarding floats, or combination thereof.

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

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

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

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

"**§ 143-215.74O. Encapsulation and design requirements for submersible polystyrene devices.**

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

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

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

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

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

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

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

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

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

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

"**§ 143-215.74P. Polystyrene containment requirement for construction and maintenance activities.**

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

"**§ 143-215.74Q. Requirements for polystyrene foam on fuel floats.**

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

"**§ 143-215.74R. Prohibited sales.**

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

"**§ 143-215.74S. Rulemaking authority.**

The Department shall adopt rules to implement this Article."

SECTION 11.(b) This section becomes effective January 1, 2025, and applies to any polystyrene foam flotation sold or used in the State after that date.

ADD NEW PROCEDURAL REQUIREMENTS FOR COASTAL AREA MANAGEMENT ACT GUIDELINES

SECTION 12.(a) G.S. 113A-107 reads as rewritten:

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

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

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

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

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

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

(g) State guidelines adopted pursuant to this section shall be made available to the public on the Department's website by posting: (i) the guidelines in their entirety; or (ii) a link to the guidelines in the North Carolina Administrative Code on the Office of Administrative Hearings website. As required by G.S. 150B-21.19(1), each guideline shall cite the law under which the rule was adopted."

SECTION 12.(b) G.S. 113A-110 reads as rewritten:

"**§ 113A-110. Land-use plans.**

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

…."

SECTION 12.(c) G.S. 113A-120 reads as rewritten:

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

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

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

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

(3) In the case of a renewable resource area, that the development will result in loss or significant reduction of continued long-range productivity that would jeopardize one or more of the water, food or fiber requirements of more than local concern identified in subdivisions a through c of G.S. 113A-113(b)(3).

(4) In the case of a fragile or historic area, or other area containing environmental or natural resources of more than local significance, that the development will result in major or irreversible damage to one or more of the historic, cultural, scientific, environmental or scenic values or natural systems identified in subdivisions a through h of G.S. 113A-113(b)(4).

(5) In the case of areas covered by G.S. 113A-113(b)(5), that the development will jeopardize the public rights or interests specified in said subdivision.

(6) In the case of natural hazard areas, that the development would occur in one or more of the areas identified in subdivisions a through e of G.S. 113A-113(b)(6) in such a manner as to unreasonably endanger life or property.

(7) In the case of areas which are or may be impacted by key facilities, that the development is inconsistent with the written State guidelines or the local land-use plans, or would contravene any of the provisions of subdivisions (1) to (6) of this subsection.

(8) In any case, that the development is inconsistent with the written State guidelines or the local land-use plans.

(9) In any case, that considering engineering requirements and all economic costs there is a practicable alternative that would accomplish the overall project purposes with less adverse impact on the public resources.

(10) In any case, that the proposed development would contribute to cumulative effects that would be inconsistent with the written guidelines set forth in subdivisions (1) through (9) of this subsection. Cumulative effects are impacts attributable to the collective effects of a number of projects and include the effects of additional projects similar to the requested permit in areas available for development in the vicinity.

…."

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

SECTION 13. Article 7 of Chapter 143B of the General Statutes is amended by adding a new section to read:

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

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

REVISE 2020 FARM ACT TMDL TRANSPORT FACTOR CALCULATION APPLICABILITY

SECTION 14. Section 15 of S.L. 2020-18 reads as rewritten:

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

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

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

by rule. ~~The Environmental Management Commission may adopt temporary rules to implement this section.~~

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

CLARIFY CERTAIN ENVIRONMENTAL PERMITTING LAWS APPLICABLE TO AGRICULTURAL ACTIVITIES

SECTION 15.(a) G.S. 143-215.1 reads as rewritten:

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

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

…

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

…."

SECTION 15.(b) G.S. 143-215.10C reads as rewritten:

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

…

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

…

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

(k) Where operation of an animal waste management system permitted pursuant to this section results in the exceedance of groundwater quality standards at or beyond the compliance boundary, the Commission shall require the permittee to undertake corrective action, without regard to the date the system was first permitted, to restore the groundwater quality by assessing the cause, significance, and extent of the violation of standards and submit the results of the investigation and a plan, including a proposed schedule, for corrective action to the Secretary. The permittee shall implement the plan as approved by, and in accordance with, a schedule established by the Secretary. In establishing a schedule for corrective action, the Secretary shall consider any reasonable schedule proposed by the permittee.

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

SECTION 15.(c) The Environmental Management Commission may adopt rules to implement this section.

PROHIBIT SALE OF NUTRIENT OFFSETS FROM MUNICIPAL NUTRIENT OFFSET BANKS TO ANY ENTITY OTHER THAN A GOVERNMENT ENTITY OR A UNIT OF LOCAL GOVERNMENT

SECTION 16.(a) G.S. 143-214.26 reads as rewritten:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 16.(b) This section is effective when it becomes law and applies to nutrient offset banks owned by a unit of local government and approved by the Department of Environmental Quality on or after that date, except that this section shall not apply to a unit of local government that has a nutrient offset banking instrument approved by the Department prior to the effective date of this section.

SHORTEN SEPTAGE MANAGEMENT PERMITTING REVIEW AND CLARIFY PUMPER TRUCK FEE

SECTION 17. G.S. 130A-291.1 reads as rewritten:

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

…

(c) No septage management firm shall commence or continue operation that does not have a permit issued by the Department. The permit shall be issued only when the septage management firm satisfies all of the requirements of the rules adopted by the Commission. Within ~~90~~ 60 business days of receiving a complete permit application, the Department shall grant or deny the permit in accordance with G.S. 130A-294(a)(4). If the permit application is denied, the Department shall return the permit application citing the reasons for the denial in writing. If the Department does not act on a complete permit application for a new septage management firm within 60 business days, the septage management firm is deemed permitted and may begin operation if all other applicable requirements of this section, G.S. 130A-291.3, and the rules adopted by the Commission are met. A septage management firm that commences operation without first having obtained a permit shall cease to operate until the firm obtains a permit under this section and shall pay an initial annual fee equal to twice the amount of the annual fee that would otherwise be applicable under subsection (e) of this section.

…

(e) A septage management firm that operates one pumper truck shall pay an annual fee of five hundred fifty dollars ($550.00) to the Department. A septage management firm that operates two or more pumper trucks shall pay an annual fee of eight hundred dollars ($800.00) to the Department. For the purposes of determining the fee assessed pursuant to this subsection, the number of trucks operated by a septage management firm shall be limited to only those pumper trucks and vehicles used in the transportation, containment, or consolidation of liquid septage that transport septage on State-maintained roads.

…."

WASTEWATER DESIGN FLOW RATE MODIFICATIONS

SECTION 18. G.S. 143-215.1(f3) reads as rewritten:

"(f3) The permittee for a wastewater ~~treatment system may~~ system:

(1) May calculate its wastewater flows for new dwelling ~~units, including~~ units discharging to wastewater systems serving two or more dwelling units that have yet to be connected and for which the permittee has allocated capacity, at 75 gallons per day per bedroom, or at a lower rate approved by the Department. If wastewater flows are calculated pursuant to this subdivision, the minimum volume of sewage from each dwelling unit is 75 gallons per day and each additional bedroom above one bedroom increases the volume by 75 gallons per day.

(2) Shall calculate its wastewater flows for new dwelling units discharging to wastewater systems serving two or more dwelling units that have yet to be connected and for which the permittee has not allocated capacity at 75 gallons per day per bedroom, or at a lower rate approved by the Department. For wastewater flows calculated pursuant to this subdivision, the minimum volume of sewage from each dwelling unit is 75 gallons per day and each additional bedroom above one bedroom increases the volume by 75 gallons per day."

SECTION 18.1.(a) Definitions. – For purposes of this section and its implementation:

(1) "Dwelling Wastewater Design Flow Rate Rule" means 15A NCAC 02T .0114 (Wastewater Design Flow Rates) as it applies to dwelling units.

(2) "Demonstration of Future Wastewater Treatment Capacities Rule" means 15A NCAC 02T .0118 (Demonstration of Future Wastewater Treatment Capacities).

SECTION 18.1.(b) Dwelling Wastewater Design Flow Rate Rule and Demonstration of Future Wastewater Treatment Capacities Rule. – Until the effective date of the revised permanent rules that the Environmental Management Commission is required to adopt pursuant to subsection (d) of this section, the Commission shall implement the Dwelling Wastewater Design Flow Rate Rule and the Demonstration of Future Wastewater Treatment Capacities Rule as provided in subsection (c) of this section.

SECTION 18.1.(c) Implementation. – The Environmental Management Commission shall amend:

(1) The Wastewater Design Flow Rate Rule as it applies to the determination of the volume of sewage from dwelling units under subsection (b) of that rule to be consistent with flow rates established pursuant to G.S. 143-215.1(f3), as amended by Section 18 of this act.

(2) The Demonstration of Future Wastewater Treatment Capacities Rule as it applies to be consistent with G.S. 143-215.1(f4) and G.S. 143-215.1(f5), as enacted by Section 1 of S.L. 2023-55.

SECTION 18.1.(d) Additional Rulemaking Authority. – The Commission shall adopt rules to amend the Dwelling Wastewater Design Flow Rate Rule and the Demonstration of Future Wastewater Treatment Capacities Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rules adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

SECTION 18.1.(e) Applicability and Sunset. – Rules adopted pursuant to subdivision (1) of subsection (c) of this section apply to all permits for dwelling units issued on or after November 1, 2023. This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

SECTION 18.2. The Environmental Management Commission shall study whether to amend the flow rates established pursuant to 15A NCAC 02T .0114(c) for schools, charter schools, boarding schools, preschools, and day care facilities, including schools with or without cafeterias, gyms, and showers, to consider reduced water consumption associated with new plumbing fixtures and appliances.

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

SECTION 19.(a) G.S. 130A-309.10 reads as rewritten:

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

…

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

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

(2) Used oil.

(3) Yard trash, except in landfills approved for the disposal of yard trash under rules adopted by the Commission. Yard trash that is source separated from

solid waste may be accepted at a solid waste disposal area where the area provides and maintains separate yard trash composting facilities.

(4) White goods.

(5) Antifreeze (ethylene glycol).

(6) Aluminum cans.

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

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

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

(10) Motor vehicle oil filters.

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

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

(13) Oyster shells.

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

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

(16) Lithium-ion batteries.

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

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

(2) Aluminum cans.

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

(4) White goods.

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

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

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

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

(9) Lithium-ion batteries.

…

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

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

SECTION 19.(b) The Department of Environmental Quality shall study proper handling of end-of-life lithium-ion batteries, and specifically whether any exceptions to a ban on

disposal in landfills based on the size of a battery are appropriate. The Department shall report its findings, including any recommendations for legislative action, to the Environmental Review Commission no later than May 1, 2024.

SECTION 19.(c) Subsection (a) of this section becomes effective December 1, 2026, and applies to offenses committed on or after that date. The remainder of this section is effective when it becomes law.

CLARIFY BROWNFIELD PROGRAM CONSTRUCTION

SECTION 20. G.S. 130A-310.37(a) reads as rewritten:

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

(1) Affect the ability of local governments to regulate land use under Chapter 160D of the General Statutes. The use of the identified brownfields property and any land-use restrictions in the brownfields agreement shall be consistent with local land-use controls adopted under those statutes.

(2) Amend, modify, repeal, or otherwise alter any provision of any remedial program or other provision of this Chapter, Chapter 143 of the General Statutes, or any other provision of law relating to civil and criminal penalties or enforcement actions and remedies available to the Department, except as may be provided in a brownfields agreement.

(3) Prevent or impede the immediate response of the Department or responsible party to an emergency that involves an imminent or actual release of a regulated substance that threatens public health or the environment.

(4) Relieve a person receiving liability protection under this Part from any liability for contamination later caused by that person on a brownfields property.

(5) Affect the right of any person to seek any relief available against any party to the brownfields agreement who may have liability with respect to the brownfields property, except that this Part does limit the relief available against any party to a brownfields agreement with respect to remediation of the brownfields property to the remediation required under the brownfields agreement.

(6) Affect the right of any person who may have liability with respect to the brownfields property to seek contribution from any other person who may have liability with respect to the brownfields property and who neither received nor has liability protection under this Part.

(7) Prevent the State from enforcing specific numerical remediation standards, monitoring, or compliance requirements specifically required to be enforced by the federal government as a condition to receive program authorization, delegation, primacy, or federal funds.

(8) Create a defense against the imposition of criminal and civil fines or penalties or administrative penalties otherwise authorized by law and imposed as the result of the illegal disposal of waste or for the pollution of the land, air, or waters of this State on a brownfields property.

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

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

MODIFY THE APPLICATION OF RIPARIAN BUFFER RULES REGARDING AIRPORT FACILITIES

SECTION 21.(a) Definitions. – For purposes of this section and its implementation, the following definitions apply:

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

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

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

SECTION 21.(b) Neuse River Basin Riparian Buffer Rules. – Until the effective date of the revised permanent rule that the Environmental Management Commission is required to adopt pursuant to subsection (d) of this section, the Commission shall implement the Neuse River Basin Riparian Buffer Rules as provided in subsection (c) of this section.

SECTION 21.(c) Implementation. –

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

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

SECTION 21.(d) Additional Rulemaking Authority. – The Commission shall adopt a rule to amend the Neuse River Basin Riparian Buffer Rules consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

SECTION 21.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

MODIFY CERTAIN PROVISIONS OF THE FLOODPLAIN REGULATION STATUTES TO DIRECT THE DEPARTMENT OF PUBLIC SAFETY TO ISSUE FLOODPLAIN PERMITS FOR CERTAIN AIRPORT PROJECTS

SECTION 22.(a) G.S. 143-215.52 reads as rewritten:

"**§ 143-215.52. Definitions.**

(a) As used in this Part:

…

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

…

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

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

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

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

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

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

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

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

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

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

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

SECTION 22.(b) G.S. 143-215.56 is amended by adding a new subsection to read:

"(i) Notwithstanding any other provision of this Part, or other applicable statutes, the Department shall grant a permit for the use of an eligible flood hazard area in connection with an airport project for which an airport authority received a no-rise certificate for that airport project where there is no local government that has a clearly demonstrated statutory authority to issue such a permit for the airport project for the use of a flood hazard area pursuant to this Part. In the event the Department does not issue a permit for the airport project within 30 days of its receipt of a written request submitted by an airport authority for an airport project, the permit is deemed issued to the airport authority for the airport project by operation of law."

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

SECTION 23. G.S. 62-110(g) reads as rewritten:

"(g) In addition to the authority to issue a certificate of public convenience and necessity and establish rates otherwise granted in this Chapter, for the purpose of encouraging water

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

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

…

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

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

(2) The ~~lessor~~ lessor, owners' association, or unit owners' association, as applicable, may charge a reasonable administrative fee for providing water or sewer service not to exceed the maximum administrative fee authorized by the Commission.

(3) The Commission shall adopt rules to implement this subsection.

(4) The Commission shall develop an application that ~~lessors~~ lessors, owners' associations, or unit owners' associations, as applicable, must submit for authority to charge for water or sewer service. The form shall include all of the following:

a. A description of the applicant and the property to be served.

b. A description of the proposed billing method and billing statements.

c. The schedule of rates charged to the applicant by the supplier.
d. The schedule of rates the applicant proposes to charge the applicant's customers.
e. The administrative fee proposed to be charged by the applicant.
f. The name of and contact information for the applicant and its agents.
g. The name of and contact information for the supplying water or sewer system.
h. Any additional information that the Commission may require.

(4a) The Commission shall develop an application that ~~lessors~~ lessors, owners' associations, or unit owners' associations, as applicable, must submit for authority to charge for water or sewer service at single-family dwellings that allows the applicant to serve multiple dwellings in the State, subject to an approval by the Commission. The form shall include all of the following:

…."

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

SECTION 24. G.S. 62-110.3 reads as rewritten:

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

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

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

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

…

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

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

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

COMMISSIONER OF AGRICULTURE/SUPPLY CHAIN POWERS

SECTION 25. Chapter 106 of the General Statutes is amended by adding a new Article to read:

"Article 85A.

"Supply Chain Emergency Act.

"**§ 106-1052. Title.**

This Article shall be known as the Supply Chain Emergency Act of 2023.

"**§ 106-1053. Definitions.**

The following definitions apply in this Article:

(1) Commissioner. – The Commissioner of Agriculture.

(2) Department. – The Department of Agriculture and Consumer Services.

"**§ 106-1054. Commissioner of Agriculture's authority to mitigate poultry supply chain disruptions.**

(a) Notwithstanding any other provision of law, when the Commissioner of Agriculture, in consultation with poultry processors and slaughter facilities, determines that there is an imminent threat to or a disruption of the agricultural supply chain or food supply chain with respect to poultry due to a lack of capacity at rendering facilities or landfills, the Commissioner may convene a meeting of the Board of Agriculture to seek concurrence to implement the measures contained in this section. Upon concurrence by majority vote of the Board of Agriculture that such circumstances exist, the Commissioner is authorized to develop and implement any emergency measures and procedures as the Commissioner determines necessary to mitigate the impacts of such threat or disruption to the supply chain. Any emergency measure or procedure relating to composting of dead domesticated poultry, or the renderings, offal, or byproducts thereof, pursuant to this section shall be deemed to be permitted pursuant to G.S. 143-215.1(b) and G.S. 130A-294, and it shall not be necessary for the Department of Environmental Quality to issue individual permits. No further permitting shall be required for such composting. Composting conducted pursuant to an emergency measure developed under this section shall be supervised by subject matter experts as determined by the Commissioner. Finished compost may be land applied at agronomic rates as established by North Carolina State University or committed to other uses as determined by the Department.

(b) For any meeting convened by the Commissioner of Agriculture pursuant to subsection (a) of this section, the Commissioner shall document the contact and response of each Board of Agriculture member and shall release the concurrence, nonconcurrence, or no response provided by each member by name on the same website in which the order is published. All documentation of the contact and response of each member of the Board of Agriculture shall be a public record.

(c) Chapter 150B of the General Statutes does not apply to emergency measures and procedures developed and implemented pursuant to this section.

(d) All emergency measures and procedures developed and implemented pursuant to this section shall last no longer than 90 days from the issuance thereof, unless renewed in accordance with the provisions in this section. The Commissioner may issue only one renewal of the emergency measures and procedures, and the renewal shall last no longer than 90 days from the date of renewal.

(e) All State agencies and political subdivisions of the State shall cooperate and comply with the implementation of the emergency measures and procedures developed under this section, including all renewals thereof.

"**§ 106-1054.1. Commissioner of Agriculture's authority to mitigate livestock supply chain disruptions.**

(a) Notwithstanding any other provision of law, when the Commissioner of Agriculture, in consultation with protein processors and slaughter facilities, determines that there is an imminent threat to or a disruption of the agricultural supply chain or food supply chain with respect to livestock due to a lack of capacity at rendering facilities or landfills, the Commissioner may consult with the Governor and convene a meeting of the Board of Agriculture to seek

concurrence to implement the measures contained in this section. Upon concurrence by majority vote of the Board of Agriculture that such circumstances exist, the Commissioner is authorized to develop and implement any emergency measures and procedures as the Commissioner determines necessary to mitigate the impacts of such threat or disruption to the supply chain. However, any emergency measure or procedure relating to composting of dead domesticated livestock, or the renderings, offal, or byproducts thereof, pursuant to this section shall be submitted to the Governor for approval. Upon the approval of the Governor, such measures shall be deemed to be permitted pursuant to G.S. 143-215.1(b) and G.S. 130A-294, and it shall not be necessary for the Department of Environmental Quality to issue individual permits. No further permitting shall be required for such composting. Composting conducted pursuant to an emergency measure developed under this section shall be supervised by subject matter experts as determined by the Commissioner. Finished compost may be land applied at agronomic rates as established by North Carolina State University or committed to other uses as determined by the Department.

(b) For any meeting convened by the Commission of Agriculture pursuant to subsection (a) of this section, the Commissioner shall document the contact and response of each Board of Agriculture member and shall release the concurrence, nonconcurrence, or no response provided by each member by name on the same website in which the order is published. All documentation of the contact and response of each member of the Board of Agriculture shall be a public record.

(c) Chapter 150B of the General Statutes does not apply to emergency measures and procedures developed and implemented pursuant to this section.

(d) All emergency measures and procedures developed and implemented pursuant to this section shall last no longer than 90 days from the issuance thereof, unless renewed in accordance with the provisions in this section. The Commissioner may issue only one renewal of the emergency measures and procedures, and the renewal shall last no longer than 90 days from the date of renewal.

(e) All State agencies and political subdivisions of the State shall cooperate and comply with the implementation of the emergency measures and procedures developed under this section, including all renewals thereof."

PART II. STATE AND LOCAL GOVERNMENT PROVISIONS

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

SECTION 26.(a) G.S. 160D-702(c) reads as rewritten:

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

(1) Set a minimum square footage of any structures subject to regulation under the North Carolina Residential Code for One- and Two-Family Dwellings.

(2) ~~Set a maximum parking space size~~ Require a parking space to be larger than 9 feet wide by 20 feet long unless the parking space is designated for handicap, parallel, or diagonal parking.

(3) Require additional fire apparatus access roads into developments of one- or two-family dwellings that are not in compliance with the required number of fire apparatus access roads into developments of one- or two-family dwellings set forth in the Fire Code of the North Carolina Residential Code for One- and Two-Family Dwellings."

SECTION 26.(b) This section is effective when it becomes law and applies to existing municipal or county ordinances. Any municipal or county ordinance inconsistent with this section is void and unenforceable.

PROHIBIT COUNTIES AND CITIES FROM REGULATING CERTAIN ONLINE MARKETPLACES

SECTION 27.(a) Article 23 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"**§ 153A-461. Online marketplace.**

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

(1) Regulate the operation of an online marketplace, as defined in subsection (b) of this section.

(2) Require an online marketplace to provide personally identifiable information of users, unless pursuant to a subpoena or court order.

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

(1) Provides for consideration, regardless of whether the consideration is deducted as a fee from the transaction, an online application, software, website, system, or other medium through which a service is advertised in this State or is offered to the public as available in this State.

(2) Provides, directly or indirectly, or maintains a platform for services by performing any of the following:

a. Providing a payment system that facilitates a transaction between two platform users.

b. Transmitting or otherwise communicating the offer or acceptance of a transaction between two platform users.

c. Owning or operating the electronic infrastructure or technology that brings two or more users together.

(c) For purposes of this section, the term "online marketplace" shall not include any local or State entity or vendor."

SECTION 27.(b) Article 21 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"**§ 160A-499.7. Online marketplace.**

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

(1) Regulate the operation of an online marketplace, as defined in subsection (b) of this section.

(2) Require an online marketplace to provide personally identifiable information of users, unless pursuant to a subpoena or court order.

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

(1) Provides for consideration, regardless of whether the consideration is deducted as a fee from the transaction, an online application, software, website, system, or other medium through which a service is advertised in this State or is offered to the public as available in this State.

(2) Provides, directly or indirectly, or maintains a platform for services by performing any of the following:

a. Providing a payment system that facilitates a transaction between two platform users.

b. Transmitting or otherwise communicating the offer or acceptance of a transaction between two platform users.

c. Owning or operating the electronic infrastructure or technology that brings two or more users together.

(c) For purposes of this section, the term "online marketplace" shall not include any local or State entity or vendor."

SECTION 27.(c) This section shall not affect any authority otherwise granted to counties and cities in State statute.

SECTION 27.(d) This section is effective when it becomes law.

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

SECTION 28.(a) G.S. 95-25.14 reads as rewritten:

"**§ 95-25.14. Exemptions.**

…

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

(1) Any employee of a boys' or girls' summer camp or of a seasonal religious or nonprofit educational conference center;

(2) Any person employed in the catching, processing or first sale of seafood, as defined under the Fair Labor Standards Act;

(3) The spouse, child, or parent of the employer or any person qualifying as a dependent of the employer under the income tax laws of North Carolina;

(4) Any person employed in a bona fide executive, administrative, professional or outside sales capacity, as defined under the Fair Labor Standards Act;

(5) Repealed by Session Laws 1989, c. 687, s. 2.

(6) Any person while participating in a ridesharing arrangement as defined in G.S. 136-44.21;

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

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

…."

SECTION 28.(b) This section becomes effective January 1, 2024.

MODIFY THE RULES RELATED TO THE INSPECTION OF ESTABLISHMENTS THAT PREPARE OR SERVE FOOD

SECTION 29.1.(a) Definitions. – "Reinspections Rule" means subsection (h) of 15A NCAC 18A .2661 (Inspections and Reinspections) for purposes of this section and its implementation.

SECTION 29.1.(b) Reinspections Rule. – Until the effective date of the revised permanent rule that the Commission for Public Health is required to adopt pursuant to subsection (d) of this section, the Commission shall implement the Reinspections Rule as provided in subsection (c) of this section.

SECTION 29.1.(c) Implementation. – Upon request of the permit holder, or his or her representative, a reinspection shall be made. In the case of a food establishment that requests an inspection for the purpose of raising the alphabetical grade and that holds an unrevoked permit, the regulatory authority shall make an unannounced inspection within ten business days from the date of the request.

SECTION 29.1.(d) Additional Rulemaking Authority. – The Commission shall adopt a rule to amend the Reinspections Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section

shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

SECTION 29.1.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

SECTION 29.2.(a) Definitions. – "Frequency of Inspections for Risk Category IV Food Service Establishments Rule" means the item addressing Risk Category IV Establishments in subdivision (a)(1) of 10A NCAC 46 .0213 (Food, Lodging/Inst. Sanitation/Public Swimming Pools/Spas) for purposes of this section and its implementation.

SECTION 29.2.(b) Frequency of Inspections for Risk Category IV Food Service Establishments Rule. – Until the effective date of the revised permanent rule that the Commission for Public Health is required to adopt pursuant to subsection (d) of this section, the Commission shall implement the Frequency of Inspections for Risk Category IV Food Establishments Rule as provided in subsection (c) of this section.

SECTION 29.2.(c) Implementation. – A local health department shall provide food, lodging, and institutional sanitation and public swimming pools and spas services within the jurisdiction of the local health department. A local health department shall establish, implement, and maintain written policies which shall include the frequency of inspections of food, lodging, and institutional facilities and public swimming pools and spas. At minimum, a Risk Category IV Food Service Establishment shall be inspected once during every four-month period per fiscal year. In addition, a Risk Category IV Food Service Establishment shall undergo an educational visit once per fiscal year. The educational visit shall not result in the issuance of a new grade or grade card. During an educational visit, the local health department shall review all of the following with the permit holder for the establishment:

(1) Any priority violations that occurred during the three previous inspections of the establishment.
(2) The public health risk factors identified on the inspection form furnished by the local health department.
(3) If applicable, any required Hazard Analysis Critical Control Plan.

SECTION 29.2.(d) Additional Rulemaking Authority. – The Commission shall adopt a rule to amend the Frequency of Inspections for Risk Category IV Food Service Establishments Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

SECTION 29.2.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

SECTION 29.3.(a) Definitions. – "Calculation of Rate of Compliance Rule" means subdivision (a)(5) of 15A NCAC 18A .2901 (Restaurant and Lodging Fee Collection and Inventory Program) for purposes of this section and its implementation.

SECTION 29.3.(b) Calculation of Rate of Compliance Rule. – Until the effective date of the revised permanent rule that the Commission for Public Health is required to adopt pursuant to subsection (d) of this section, the Commission shall implement the Calculation of Rate of Compliance Rule as provided in subsection (c) of this section.

SECTION 29.3.(c) Implementation. – "Rate of compliance" means the number of inspections and educational visits for food and lodging establishments conducted by the local health department during the previous State fiscal year divided by the number of inspections and

educational visits mandated to be conducted by the local health department per State fiscal year pursuant to G.S. 130A-249 and 10A NCAC 46 .0213, not to exceed a value of 1.

SECTION 29.3.(d) Additional Rulemaking Authority. – The Commission shall adopt a rule to amend the Calculation of Rate of Compliance Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

SECTION 29.3.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

CODIFY EXISTING STROKE CENTER DESIGNATIONS AND ADD A THROMBECTOMY-CAPABLE STROKE CENTER DESIGNATION

SECTION 30. G.S. 131E-78.5 reads as rewritten:

"**§ 131E-78.5. ~~Designation as primary stroke center.~~Stroke center designation.**

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

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

(a2) The Department shall recognize as many certified acute care hospitals as Primary Stroke Centers as apply and are certified as a Primary Stroke Center by the American Heart Association, the Joint Commission, or other Department-approved certifying body that is a nationally recognized guidelines-based organization that provides Primary Stroke Center Hospital certification for stroke care, provided that each applicant continues to maintain its certification. Further, the Department may recognize those Primary Stroke Centers that offer mechanical endovascular therapies but have not been certified as Thrombectomy-Capable Stroke Centers as "Primary Stroke Centers with endovascular services."

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

(a4) The Department shall recognize as many certified acute care hospitals as Comprehensive Stroke Centers as apply and are certified as a Comprehensive Stroke Center by

the American Heart Association, the Joint Commission, or other Department-approved certifying body that is a nationally recognized guidelines-based organization that provides Comprehensive Stroke Center Hospital certification for stroke care, provided that each applicant continues to maintain its certification.

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

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

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

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

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

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

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

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

STATE OWNERSHIP OF HEALTH INFORMATION EXCHANGE NETWORK DATA

SECTION 31.(a) G.S. 90-414.6 reads as rewritten:

"**§ 90-414.6. State ownership of HIE Network data.**

Any data pertaining to services rendered to Medicaid and other State-funded health care program beneficiaries submitted through and stored by the HIE Network pursuant to G.S. 90-414.4 or any other provision of this Article shall be and will remain the sole property of the State. Any data or product derived from the aggregated, de-identified data submitted to and stored by the HIE Network pursuant to G.S. 90-414.4 or any other provision of this Article, shall be and will remain the sole property of the State. The Authority shall not allow data it receives pursuant to G.S. 90-414.4 or any other provision of this Article to be used or disclosed by or to any person or entity for commercial purposes or for any other purpose other than those set forth

in G.S. 90-414.4(a) or G.S. 90-414.2. To the extent the Authority receives requests for electronic health information as the term is defined in 45 C.F.R. § 171.102, or other medical records from an individual, an individual's personal representative, or an individual or entity purporting to act on an individual's behalf, the Authority (i) shall not fulfill the request and (ii) shall make available to the requester and the public, via the Authority's website, educational materials about how to access such information from other sources. Patient identifiers created and utilized by the Authority to integrate identity data in the HIE Network, along with the minimum necessary required demographic information related to those patients, shall be released to the GDAC and the Department by the Authority for purposes of entity resolution and master data management. These identifiers shall not be considered public records pursuant to Chapter 132 of the General Statutes."

SECTION 31.(b) G.S. 143B-1385(d)(2) is amended by adding a new sub-subdivision to read:

"e. Identifiers created as part of the initiative. – Individual identifiers created and utilized by the GDAC to integrate identity data as part of the initiative shall be classified as State-owned data and are not public records under Chapter 132 of the General Statutes. The GDAC may release these identifiers to State agencies, departments, and institutions as part of the initiative for the purposes of entity resolution and master data management."

SECTION 31.(c) Subsection (b) of this section becomes effective December 1, 2023.

VOLUNTARY CONNECTION TO NORTH CAROLINA HEALTH INFORMATION EXCHANGE FOR CHIROPRACTORS

SECTION 32. G.S. 90-414.4 reads as rewritten:

"**§ 90-414.4. Required participation in HIE Network for some providers.**

…

(e) Voluntary Connection for Certain Providers. – Notwithstanding the mandatory connection and data submission requirements in subsections (a1) and (b) of this section, the following providers of Medicaid services or other State-funded health care services are not required to connect to the HIE Network or submit data but may connect to the HIE Network and submit data voluntarily:

(1) Community-based long-term services and supports providers, including personal care services, private duty nursing, home health, and hospice care providers.
(2) Intellectual and developmental disability services and supports providers, such as day supports and supported living providers.
(3) Community Alternatives Program waiver services (including CAP/DA, CAP/C, and Innovations) providers.
(4) Eye and vision services providers.
(5) Speech, language, and hearing services providers.
(6) Occupational and physical therapy providers.
(7) Durable medical equipment providers.
(8) Nonemergency medical transportation service providers.
(9) Ambulance (emergency medical transportation service) providers.
(10) Local education agencies and school-based health providers.
(11) Chiropractors licensed under Article 8 of this Chapter.

…."

EXPANSION OF THE HOMESCHOOL COOPERATIVE EXEMPTION TO THE DEFINITION OF CHILD CARE

SECTION 33. G.S. 110-86 reads as rewritten:

"**§ 110-86. Definitions.**

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

…

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

…

i. Cooperative arrangements among parents to provide care for their own children as a convenience rather than for employment. This exemption shall include arrangements between a group of parents, regardless of whether the parents are working, to provide for the ~~instructional needs~~ academic instruction of their school age children, ~~provided the arrangement occurs in the home of one of the cooperative participants;~~who meet the requirements of G.S. 115C-364;

…."

DEPARTMENT OF INFORMATION TECHNOLOGY PROCUREMENT CHANGES

SECTION 34. G.S. 143B-1333 reads as rewritten:

"**§ 143B-1333. Internal Service Fund.**

(a) The Internal Service Fund is established within the Department as a fund to provide goods and services to State agencies on a cost-recovery basis. The Department shall establish fees for subscriptions and chargebacks for consumption-based services. ~~The Information Technology Strategic Sourcing Office~~ The Department's procurement activities, including, but not limited to, the Statewide Information Technology Procurement Office, shall be funded through a combination of administrative fees as part of the IT Supplemental Staffing contract, as well as fees charged to agencies using their services. The State CIO shall establish and annually update consistent, fully transparent, easily understandable fees and rates that reflect industry standards for any good or service for which an agency is charged. These fees and rates shall be prepared and submitted by the Department to the Office of State Budget and Management and Fiscal Research Division on the date agreed upon by the State Budget Director and the Department's Chief Financial Officer. The rates shall be approved by the Office of State Budget and Management. The Office of State Budget and Management shall ensure that State agencies have the opportunity to adjust their budgets based on any rate or fee changes prior to submission of those budget recommendations to the General Assembly. The approved Information Technology Internal Service Fund budget and associated rates shall be included in the Governor's budget recommendations to the General Assembly.

(b) Repealed by Session Laws 2016-94, s. 7.4(d), effective July 1, 2016.

(c) Receipts shall be used solely for the purpose for which they were collected. In coordination with the Office of the State Controller and the Office of State Budget and Management, the State CIO shall ensure processes are established to manage federal receipts, maximize those receipts, and ensure that federal receipts are correctly utilized."

RESTORE 2009 BUILDING CODE STANDARDS FOR PIERS AND DOCKS CONSTRUCTED IN ESTUARINE WATERS

SECTION 35.(a) Definitions. – As used in this section, "Council" means the Building Code Council and "Dock and Pier Code" means Chapter 36 of the 2018 North Carolina Building Code, as adopted by the Council.

SECTION 35.(b) Dock and Pier Code. – Until the effective date of the revised permanent rules that the Council is required to adopt pursuant to subsection (d) of this section, the Council shall implement the applicable requirements of the 2018 Building Code, as provided in subsection (c) of this section.

SECTION 35.(c) Implementation. – The Council shall not impose any building requirements inconsistent with the 2009 Building Code Chapter for Docks, Piers, Bulkheads, and Waterway Structures for piers or docks built in estuarine waters.

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

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

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

SECTION 36. G.S. 143-138 is amended by adding a new subsection to read:

"(b24) Limitation on Use of Plastic Pipes. – No State, county, or local building code or regulation shall allow for the use of plastic pipes, plastic pipe fittings, and plastic plumbing appurtenances with an inside diameter 2 inches (51 millimeters) and larger in either of the following circumstances:

(1) Drain, waste, and vent conductors in buildings in which the top occupied floor exceeds 75 feet (23 meters) in height.

(2) Storm drainage conductors in buildings in which the top occupied floor exceeds 75 feet (23 meters) in height."

DISAPPROVE CERTAIN DOA PROCUREMENT RULES

SECTION 37. Pursuant to G.S. 150B-21.3(b1), the following rules, as adopted by the North Carolina Department of Administration on October 20, 2022, and approved by the Rules Review Commission on December 15, 2022, are disapproved:

(1) 01 NCAC 05A .0112 (Definitions)

(2) 01 NCAC 05E .0101 (Good Faith Efforts)

DELAY THE EFFECTIVE DATE OF RULES ADOPTED BY THE APPRAISAL BOARD SUBJECT TO LEGISLATIVE REVIEW

SECTION 38. Notwithstanding G.S. 150B-21.3, the following rules, as adopted by the Appraisal Board on April 19, 2022, and approved by the Rules Review Commission on June 16, 2022, shall become effective December 31, 2025:

(1) 21 NCAC 57A .0201 (Qualifications for Trainee Registration and Appraiser Licensure and Certification)

(2) 21 NCAC 57A .0405 (Appraisal Reports)

(3) 21 NCAC 57A .0407 (Supervision of Trainees)

(4) 21 NCAC 57A .0601 (Experience Credit to Upgrade)

(5) 21 NCAC 57A .0604 (Types of Appraisal Experience)

(6) 21 NCAC 57A .0605 (Reporting Appraisal Experience).

EMERGENCY SUPPLY CHAIN DECLARATION FOR LOCAL GOVERNMENTS

SECTION 39.(a) G.S. 166A-19.3 reads as rewritten:

"**§ 166A-19.3. Definitions.**

The following definitions apply in this Article:

…

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

…."

SECTION 39.(b) Article 1A of Chapter 166A of the General Statutes is amended by adding a new section to read:

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

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

(1) Listed in an emergency declaration arising from a supply chain disruption as described in G.S. 166A-19.3(6).

(2) Listed in an order or regulation issued by an agency of the federal government under the Defense Production Act of 1950, as amended. The exemption in this section shall terminate upon expiration or termination of the emergency declaration or order or regulation issued under the Defense Production Act of 1950, as amended."

CLARIFY RESERVATION OF WATER AND SEWER CAPACITY FOR PROPOSED CHARTER SCHOOL FACILITIES

SECTION 40.(a) G.S. 115C-218.35(e) is repealed.

SECTION 40.(b) Article 14A of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-218.36. Reservation of water and sewer capacity for proposed charter school facilities.**

Prior to any application for any development approval under Chapter 160D of the General Statutes, the board of directors of a charter school shall inquire, in writing, of the public water system, public sewer system, or public water and sewer system, currently serving the site or closest to the site as to whether that public system has capacity to serve the proposed charter school facility. The public system shall respond to the board of directors within a reasonable time, not to exceed 30 days as to whether that public system has capacity to serve the proposed charter school facility. Unless the public system does not have capacity to serve the proposed charter school facility or is under a moratorium precluding expansion, the public system shall reserve the necessary capacity for the proposed charter school facility for 24 months from the date of the written inquiry from the board of directors. Upon costs associated with water and

sewer infrastructure for the proposed charter school facility having been incurred by the board or an agent of the board, neither the public system nor a local government shall deny access to the public system in which capacity is reserved for the proposed charter school facility during the 24-month period."

DEADLINE FOR NOTIFICATION OF CODIFIER OF REPEALED RULES/CODIFIER AUTHORITY TO REMOVE REPEALED RULES FROM ADMINISTRATIVE CODE

SECTION 41. G.S. 150B-21.7 reads as rewritten:

"**§ 150B-21.7. Effect of transfer of duties or termination of agency on rules.**

(a) When a law that authorizes an agency to adopt a rule is repealed and another law gives the same or another agency substantially the same authority to adopt a rule, the rule remains in effect until the agency with authority over the rule amends or repeals the rule. When a law that authorizes an agency to adopt a rule is repealed and another law does not give the same or another agency substantially the same authority to adopt a rule, a rule adopted under the repealed law is repealed as of the date the law is repealed. The agency that adopted the rule shall notify the Codifier of Rules that the rule is repealed pursuant to this ~~subsection.~~subsection within 30 days.

(b) When an executive order abolishes part or all of an agency and transfers a function of that agency to another agency, a rule concerning the transferred function remains in effect until the agency to which the function is transferred amends or repeals the rule. When an executive order abolishes part or all of an agency and does not transfer a function of that agency to another agency, a rule concerning a function abolished by the executive order is repealed as of the effective date of the executive order. The agency that adopted the rule shall notify the Codifier of Rules that the rule is repealed pursuant to this ~~subsection.~~subsection within 30 days.

(c) When notified of a rule repealed under this section, the Codifier of Rules must enter the repeal of the rule in the North Carolina Administrative Code. If the Codifier of Rules does not receive timely notice from the agency under this section, the Codifier shall remove the rule from the North Carolina Administrative Code after notifying the agency."

RESTATEMENT OF APA REQUIREMENTS FOR AGENCY TO ADOPT REQUIREMENTS AS RULES

SECTION 42. In accordance with G.S. 150B-18, which provides that no agency may seek to implement or enforce against any person a policy, guideline, or other interpretive statement that has not been properly adopted as a rule pursuant to the North Carolina Administrative Procedure Act, no agency of this State shall enforce against any person a policy, guideline, or other interpretive statement that describes the procedure or practice requirements of the agency unless those requirements have been adopted as a rule in accordance with Article 2A of Chapter 150B of the General Statutes.

EXEMPT FROM PUBLIC CONTRACT BIDDING REQUIREMENT HEATING AND COOLING SYSTEM REPAIR WORK MADE THROUGH A COMPETITIVE BIDDING GROUP PURCHASING PROGRAM

SECTION 43.(a) G.S. 143-129(e) reads as rewritten:

"(e) Exceptions. – The requirements of this Article do not apply to:

…

(3) Purchases or repair work involving a combination of installation labor and equipment acquisition made through a competitive bidding group purchasing program, which is a formally organized program that offers competitively obtained purchasing services at discount prices to two or more public agencies. For the purposes of this subdivision, "repair work" is (i) limited to the repair of heating and cooling systems, (ii) may not exceed a total cost of two million dollars ($2,000,000) for installation labor or other related costs

incidental to equipment acquisition, and (iii) is procured using a competitive bidding group purchasing program that is qualified to sell to the United States of America or any agency thereof.

…."

SECTION 43.(b) This section is effective when it becomes law and applies to repair work procured on or after that date.

PROHIBIT COUNTIES AND CITIES FROM ADOPTING CERTAIN ORDINANCES, RULES, AND REGULATIONS RELATED TO BATTERY-CHARGED SECURITY FENCES AND TO DEFINE AND ESTABLISH REQUIREMENTS FOR THOSE BATTERY-CHARGED SECURITY FENCES

SECTION 44.(a) Article 6 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"**§ 153A-134.1. Regulation of battery-charged security fences.**

(a) No county may adopt an ordinance, rule, or regulation that does any of the following:

(1) Requires any type of permit, fee, review, or approval for the installation or use of a battery-charged security fence in addition to a permit that may be required by an ordinance adopted by the governing board as authorized by G.S. 74D-11(c).

(2) Imposes installation or operational requirements for battery-charged security fences that are inconsistent with the requirements and standards described in subsection (b) of this section.

(3) Prohibits the installation or use of a battery-charged security fence on property that has been zoned for nonresidential use.

(b) For purposes of this section, the term "battery-charged security fence" means an alarm system and ancillary components, or equipment attached to that system, including a fence, a battery-operated energizer that is intended to periodically deliver voltage impulses to the fence, and a battery charging device used exclusively to charge the battery. A battery-charged security fence shall meet the following requirements:

(1) Interfaces with a monitored alarm device enabling the alarm system to transmit a signal intended to summon the business or law enforcement in response to an intrusion or burglary.

(2) Is located on property that is not designated by a county or city exclusively for residential use.

(3) Has an energizer that is powered by a commercial storage battery that is not more than 12 volts of direct current.

(4) Has an energizer that meets the standards established by the most current version of the International Electrotechnical Commission Standard 60335-2-76.

(5) Is surrounded by a non-electric perimeter fence or wall that is not less than 5 feet in height.

(6) Does not exceed 10 feet in height or 2 feet higher than the non-electric perimeter fence or wall, whichever is higher.

(7) Is marked with conspicuous warning signs that are located on the battery-charged security fence at not more than 30-foot intervals and read: "WARNING—ELECTRIC FENCE"."

SECTION 44.(b) Article 8 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"**§ 160A-194.1. Regulation of battery-charged security fences.**

(a) No city may adopt an ordinance, rule, or regulation that does any of the following:

(1) Requires any type of permit, fee, review, or approval for the installation or use of a battery-charged security fence in addition to a permit that may be required by an ordinance adopted by the governing board as authorized by G.S. 74D-11(c).

(2) Imposes installation or operational requirements for battery-charged security fences that are inconsistent with the requirements and standards described in subsection (b) of this section.

(3) Prohibits the installation or use of a battery-charged security fence on property that has been zoned for nonresidential use.

(b) For purposes of this section, the term "battery-charged security fence" means an alarm system and ancillary components, or equipment attached to that system, including a fence, a battery-operated energizer that is intended to periodically deliver voltage impulses to the fence, and a battery charging device used exclusively to charge the battery. A battery-charged security fence shall meet the following requirements:

(1) Interfaces with a monitored alarm device enabling the alarm system to transmit a signal intended to summon the business or law enforcement in response to an intrusion or burglary.

(2) Is located on property that is not designated by a county or city exclusively for residential use.

(3) Has an energizer that is powered by a commercial storage battery that is not more than 12 volts of direct current.

(4) Has an energizer that meets the standards established by the most current version of the International Electrotechnical Commission Standard 60335-2-76.

(5) Is surrounded by a non-electric perimeter fence or wall that is not less than 5 feet in height.

(6) Does not exceed 10 feet in height or 2 feet higher than the non-electric perimeter fence or wall, whichever is higher.

(7) Is marked with conspicuous warning signs that are located on the battery-charged security fence at not more than 30-foot intervals and read: "WARNING—ELECTRIC FENCE"."

MODIFY THE LICENSING REQUIREMENTS FOR TRANSLITERATORS AND INTERPRETERS

SECTION 45.(a) G.S. 90D-7 reads as rewritten:

"**§ 90D-7. Requirements for licensure.**

(a) Upon application to the Board and the payment of the required fees, an applicant may be licensed as an interpreter or transliterator if the applicant meets all of the following qualifications:

(1) Is 18 years of age or older.

(2) Is of good moral character as determined by the Board.

(3) Meets one of the following criteria:

~~a. Holds a valid National Association of the Deaf (NAD), level 4 or 5 certification.~~

b. Is nationally certified by the Registry of Interpreters for the Deaf, Inc., ~~(RID).~~(RID), or another nationally recognized body that issues certificates or assessments for interpreting approved by the Board by rule.

c. Holds a valid Testing, Evaluation and Certification Unit, Inc., (TECUnit) national certification in cued language transliteration.

~~d. Holds a quality assurance North Carolina Interpreter Classification System (NCICS) level A or B classification in effect on January 1, 2000.~~

e. Holds a current Cued Language Transliterator State Level Assessment (CLTSLA) level 3 or above classification.

…."

SECTION 45.(b) G.S. 90D-8 reads as rewritten:

"**§ 90D-8. Provisional license.**

(a) Upon application to the Board and the payment of the required fees, an applicant may be issued a one-time provisional license as an interpreter or transliterator if the applicant meets all of the following qualifications:

(1) Is at least 18 years of age.

(2) Is of good moral character as determined by the Board.

(3) Completes two continuing education units approved by the Board. These units must be completed for each renewable year.

(4) ~~Satisfies~~ Holds at least a two-year associate degree in interpreting from an accredited institution and satisfies one of the following:

a. Holds a quality assurance North Carolina Interpreter Classification System (NCICS) level C classification.

b. Holds a valid National Association of the Deaf (NAD) level 2 or 3 certification.

c. Holds a current Educational Interpreter Performance Assessment (EIPA) ~~level 3~~ level 3.5 or above classification.

d. Repealed by Session Laws 2005-299, s. 2, effective August 22, 2005.

~~e. Holds at least a two-year interpreting degree from a regionally accredited institution.~~

f. Holds any other certificate or assessment issued by a nationally recognized body approved by the Board by rule.

(a1) Upon application to the Board, payment of the required fees, and meeting the requirements for a provisional license under subdivisions (1) and (2) of subsection (a) of this section, the Board may also issue a provisional license to any of the following categories of persons seeking a provisional license:

(1) A deaf interpreter who completes 16 hours of training in interpreting coursework or workshops, including role and function or ethics, and 20 hours in the 12 months immediately preceding the date of application in the provision of interpreting services.

(2) An oral interpreter who completes a total of 40 hours of training in interpreting coursework or workshops related to oral interpreting.

(3) A cued language transliterator who holds a current TECUnit Cued Language Transliterator State Level Assessment (CLTSLA) level 2 or above classification.

(4) A person providing interpreting or transliterating services who has a recognized credential from another state in the field of interpreting or transliterating.

(5) An interpreter or transliterator who has accumulated 200 hours per year in the provision of interpreting or transliterating services, in this State or another state, totaling 400 hours for the two years immediately preceding the date of application. An applicant must provide documentation of hours when applying for a provisional license under this category, subject to verification by the Board.

…."

SECTION 45.(c) The North Carolina Interpreter and Transliterator Licensing Board shall adopt temporary rules to implement the provisions of this act. Any temporary rules adopted in accordance with this section shall remain in effect until permanent rules that replace the temporary rules become effective.

SECTION 45.(d) Subsection (a) of this section becomes effective December 1, 2023, and applies to licenses and provisional licenses issued or renewed by the North Carolina Interpreter and Transliterator Licensing Board after that date. The remainder of this section is effective when it becomes law.

PROHIBIT DISCRIMINATION OR RETALIATION IN EMPLOYMENT FOR ABSENCES OF MEMBERS OF THE CIVIL AIR PATROL PERFORMING AUTHORIZED DUTIES

SECTION 46.(a) Article 13 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-1033. Employment absence.**

(a) An employer shall not discriminate against, discharge, demote, or otherwise take an adverse employment action against any employee that is a member of the North Carolina Wing-Civil Air Patrol on the basis of that membership or any absence required to perform duties if the absence is authorized pursuant to this section.

(b) An absence from employment by a member of the North Carolina Wing-Civil Air Patrol is authorized if it meets all of the following requirements:

(1) The absence is necessary to perform duties incident to a State-approved mission pursuant to G.S. 143B-1030(b)(3) or a United States Air Force authorized mission.

(2) The absence is for no more than seven consecutive scheduled working days for that employee.

(3) The total absences in a calendar year do not exceed more than 14 scheduled working days for that employee.

(c) The employer may require that the employee furnish a copy of the employee's mission order.

(d) Nothing in this section shall be construed to require an employer to pay salary or wages to a member of the North Carolina Wing-Civil Air Patrol during the employee's authorized absence, except when the employee chooses to use any paid leave that may be available to the employee through their employment."

SECTION 46.(b) This section becomes effective December 1, 2023, and applies to absences occurring on or after that date.

PART III. MISCELLANEOUS PROVISIONS

INCREASE THE NUMBER OF RAFFLES THAT A NONPROFIT ORGANIZATION MAY HOLD PER YEAR AND INCREASE THE TOTAL APPRAISED VALUE OF ALL REAL ESTATE PRIZES OFFERED DURING A CALENDAR YEAR BY A NONPROFIT ORGANIZATION AS PART OF A RAFFLE

SECTION 47.(a) G.S. 14-309.15 reads as rewritten:

"**§ 14-309.15. Raffles.**

…

(c) A nonprofit organization may hold no more than ~~four~~ five raffles per year.

…

(g) Real property may be offered as a prize in a raffle. ~~The maximum appraised value of real property that may be offered for any one raffle is five hundred thousand dollars ($500,000).~~ Any nonprofit organization offering real property as a prize in a raffle shall provide the property

free from all liens, provide an owner affidavit and indemnity agreement, and provide a title commitment for the property and shall make that commitment available for inspection upon request. The total appraised value of all real estate prizes offered by any nonprofit organization shall not exceed ~~five hundred thousand~~ two million two hundred fifty thousand dollars ~~($500,000)~~ ($2,250,000) in any calendar year.

…."

SECTION 47.(b) This section is effective when it becomes law and applies to raffles conducted on or after that date.

CLARIFY THAT INFLATABLE DEVICES ARE NOT AMUSEMENT DEVICES

SECTION 48.(a) G.S. 95-111.3 reads as rewritten:

"**§ 95-111.3. Definitions.**

The following definitions shall apply in this Article:

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

- ~~(1)~~a. Devices operated on a river, lake, or any other natural body of water.
- ~~(2)~~b. Wavepools.
- ~~(3)~~c. Roller skating rinks.
- ~~(4)~~d. Ice skating rinks.
- ~~(5)~~e. Skateboard ramps or courses.
- ~~(6)~~f. Mechanical bulls.
- ~~(7)~~g. Buildings or concourses used in laser games.
- ~~(8)~~h. All-terrain vehicles.
- ~~(9)~~i. Motorcycles.
- ~~(10)~~j. Bicycles.
- ~~(11)~~k. Mopeds.
- ~~(12)~~*l.* Rock walls that are in a fixed, permanent location.
- ~~(13)~~m. Zip-lines.
- ~~(14)~~n. Funhouses, haunted houses, and similar walk-through devices that are erected temporarily on a seasonal basis and do not have mechanical components.
- ~~(15)~~o. Playground equipment, including but not limited to soft contained play equipment, swings, seesaws, slides, stationary spring-mounted animal features, jungle gyms, rider-propelled merry-go-rounds, and trampolines.
- ~~(16)~~p. Any train or device previously or currently approved for use on the public rail transit system.
- q. Inflatable devices, including any air-supported device made of flexible fabric, inflated by one or more blowers, that relies upon air pressure to maintain its shape.

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

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

~~(b2)~~(4) ~~The term "carnival area" shall mean any~~ Carnival area. – Any area, track, or structure that is rented, leased, or owned as a temporary location for amusement devices.

~~(c)~~(5) ~~The term "Commissioner" shall mean the~~ Commissioner. – The North Carolina Commissioner of Labor or his or her authorized representative.

~~(d)~~(6) ~~The term "Director" shall mean the~~ Director. – The Director of the Elevator and Amusement Device Division of the North Carolina Department of Labor.

~~(e)~~(7) ~~The term "operator" shall mean any~~ Operator. – Any person having direct control of the operation of an amusement device. The term "operator" shall not include a waterslide dispatcher or any person on the device for the purpose of receiving amusement, pleasure, thrills, or excitement.

~~(f)~~(8) ~~The term "owner" shall mean any~~ Owner. – Any person or authorized agent of such person who owns an amusement device or in the event such device is leased, the lessee. The term "owner" also shall include the State of North Carolina or any political subdivision thereof or any unit of local government.

~~(g)~~(9) ~~The term "person" shall mean any~~ Person. – Any individual, association, partnership, firm, corporation, private organization, or the State of North Carolina or any political subdivision thereof or any unit of local government.

~~(h)~~(10) ~~The term "waterslide" shall mean a~~ Waterslide. – A stationary amusement device that provides a descending ride on a flowing water film through a trough or tube or on an inclined plane into a pool of water. This term does not include devices where the vertical distance between the highest and the lowest points does not exceed 15 feet.

~~(i)~~(11) ~~The term "waterslide dispatcher" shall mean an~~ Waterslide dispatcher. – An employee who is stationed at the top of a waterslide for the purpose of managing the ride queue and dispatching users of the waterslide."

SECTION 48.(b) G.S. 95-111.12(d) reads as rewritten:

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

COMMERCIAL MOBILE RADIO SERVICE CHANGES

SECTION 49.(a) G.S. 143B-1405(a)(4) reads as rewritten:

"(4) Prior approval must be obtained from the 911 Board for all invoices for payment of costs that exceed ~~the lesser of:~~

~~a.~~ ~~One~~ one hundred percent (100%) of the eligible costs allowed under this section.

~~b.~~ ~~One hundred twenty five percent (125%) of the service charges remitted to the 911 Board by the CMRS provider.~~"

SECTION 49.(b) Effective July 1, 2024, G.S. 143B-1405 is repealed.

SECTION 49.(c) Effective July 1, 2024, G.S. 143B-1403(d) reads as rewritten:

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

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

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

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

SECTION 49.(d) Effective July 1, 2024, G.S. 143B-1407(a) reads as rewritten:

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

SECTION 49.(e) Effective July 1, 2024, G.S. 143B-1409(2) is repealed.

DELETE CONFLICTING WATER/SEWER PROVISION IN S.L. 2023-108

SECTION 50. Section 12 of S.L. 2023-108 is repealed.

TECHNICAL CORRECTION TO APPOINTMENT CRITERIA FOR THE RESIDENTIAL BUILDING CODE COUNCIL CREATED BY S.L. 2023-108

SECTION 51.(a) G.S. 143-136.1(a), as enacted by Section 1(a) of S.L. 2023-108, reads as rewritten:

"(a) Creation; Membership. – There is hereby created a Residential Code Council, which consists of 13 members appointed as follows:

(1) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives who shall hold an unlimited ~~residential~~ general contractor license under Chapter 87 of the General ~~Statutes.~~Statutes and specializes in residential construction.

(2) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate who shall hold an unlimited or intermediate ~~residential~~ general contractor license under Chapter 87 of the General ~~Statutes.~~Statutes and specializes in residential construction.

(3) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives who shall hold a plumbing contractor license under Chapter 87 of the General Statutes and specializes in residential construction.

(4) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate who shall hold a heating contractor license under Chapter 87 of the General Statutes and specializes in residential construction.

(5) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives who shall hold an ~~unlimited~~ unlimited, intermediate, or limited general contractor license under Chapter 87 of the General Statutes and specializes in coastal construction.

(6) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate who shall hold ~~a limited residential~~ an unlimited, intermediate, or limited general contractor license under Chapter 87 of the General ~~Statutes.~~Statutes and specializes in residential construction.

(7) One member appointed by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution, who shall hold an electrical contractor license under Chapter 87 of the General Statutes.

(8) One member appointed by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution, who shall be a licensed professional engineer under Chapter 89C of the General Statutes and specializes in residential construction.

(9) One member appointed by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution, who shall be a Level I or Level II Code-enforcement official employed by a municipality or county.

(10) One member appointed by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution, who shall be a member of the public-at-large.

(11) One member appointed by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution, who shall be a representative of the natural gas industry.

(12) One member appointed by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution, who shall be a fire service representative.

(13) One member appointed by the Governor subject to confirmation in accordance with Section 5(8) of Article III of the North Carolina Constitution, who shall hold a general contractor license under Chapter 87 of the General Statutes and specializes in residential foundations or concrete placement."

SECTION 51.(b) This section is effective January 1, 2025.

INCREASE ALLOWABLE VEHICLE HEIGHT BY SIX INCHES TO FOURTEEN FEET

SECTION 52.(a) G.S. 20-116(c) reads as rewritten:

"(c) No vehicle, unladen or with load, shall exceed a height of ~~13 feet, six inches.~~ 14 feet. Provided, however, that neither the State of North Carolina nor any agency or subdivision thereof, nor any person, firm or corporation, shall be required to raise, alter, construct or reconstruct any underpass, wire, pole, trestle, or other structure to permit the passage of any vehicle having a height, unladen or with load, in excess of 12 feet, six inches. Provided further, that the operator or owner of any vehicle having an overall height, whether unladen or with load, in excess of 12 feet, six inches, shall be liable for damage to any structure caused by such vehicle having a height in excess of 12 feet, six inches."

SECTION 52.(b) This section becomes effective December 1, 2023, and applies to offenses committed on or after that date.

REVISIONS REGARDING THE LEASE OR SALE OF HOSPITAL FACILITIES TO OR FROM FOR-PROFIT OR NONPROFIT CORPORATIONS OR OTHER BUSINESS ENTITIES BY MUNICIPALITIES AND HOSPITAL AUTHORITIES

SECTION 53.(a) G.S. 131E-13 reads as rewritten:

"**§ 131E-13. Lease or sale of hospital facilities to or from for-profit or nonprofit corporations or other business entities by municipalities and hospital authorities.**

(a) A municipality or hospital authority as defined in G.S. 131E-16(14), may lease, sell, or convey any hospital facility, or ~~part,~~ part of a hospital facility, to a corporation, foreign or domestic, authorized to do business in North Carolina, subject to these conditions, which shall be included in the lease, agreement of sale, or agreement of conveyance:

(1) The corporation shall continue to provide the same or similar clinical hospital services to its patients in medical-surgery, obstetrics, pediatrics, outpatient and emergency treatment, including emergency services for the indigent, that the hospital facility provided prior to the lease, sale, or conveyance. These services may be terminated only as prescribed by Certificate of Need Law prescribed in Article 9 of Chapter 131E of the General Statutes, or, if Certificate of Need Law is inapplicable, by review procedure designed to guarantee public participation pursuant to rules adopted by the Secretary of the Department of Health and Human Services.

(2) The corporation shall ensure that indigent care is available to the population of the municipality or area served by the hospital authority at levels related to need, as previously demonstrated and determined mutually by the municipality or hospital authority and the corporation.

(3) The corporation shall not enact financial admission policies that have the effect of denying essential medical services or treatment solely because of a patient's immediate inability to pay for the services or treatment.

(4) The corporation shall ensure that admission to and services of the facility are available to beneficiaries of governmental reimbursement programs (Medicaid/Medicare) without discrimination or preference because they are beneficiaries of those programs.

(5) The corporation shall prepare an annual report that shows compliance with the requirements of the lease, sale, or conveyance.

The corporation shall further agree that if it fails to substantially comply with these conditions, or if it fails to operate the facility as a community general hospital open to the general public and free of discrimination based on race, creed, color, sex, or national origin unless relieved of this responsibility by operation of law, or if the corporation dissolves without a successor corporation to carry out the terms and conditions of the lease, agreement of sale, or agreement of conveyance, all ownership or other rights in the hospital facility, including the building, land and equipment associated with the hospital, shall revert to the municipality or hospital authority or successor entity originally conveying the hospital; provided that any building, land, or equipment associated with the hospital facility that the corporation has constructed or acquired since the sale may revert only upon payment to the corporation of a sum equal to the cost less depreciation of the building, land, or equipment.

This section shall not apply to <u>(i) leases in which the same tenant has continuously held possession of a hospital facility, or part of a hospital facility, since at least June 30, 1984, or (ii)</u> leases, sales, or conveyances of nonmedical services or commercial activities, including the gift shop, cafeteria, the flower shop, or to surplus hospital property that is not required in the delivery of necessary hospital services at the time of the lease, sale, or conveyance.

…

(d) The municipality or hospital authority shall comply with the following procedures before leasing, selling, or conveying a hospital facility, or part ~~thereof:~~<u>of a hospital facility:</u>

(1) The municipality or hospital authority shall first adopt a resolution declaring its intent to sell, lease, or convey the hospital facility at a regular meeting on 10 days' public notice. Notice shall be given by publication in one or more papers of general circulation in the affected area describing the intent to lease, sell, or convey the hospital facility involved, known potential buyers or lessees, a solicitation of additional interested buyers or lessees and intent to negotiate the terms of the lease or sale. Specific notice, given by certified mail, shall be given to the local office of each state-supported program that has made a capital expenditure in the hospital facility, to the Department of Health and Human Services, and to the Office of State Budget and Management.

(2) At the meeting to adopt a resolution of intent, the municipality or hospital authority shall request proposals for lease or purchase by direct solicitation of at least five prospective lessees or buyers. The solicitation shall include a copy of G.S. 131E-13.

(3) The municipality or hospital authority shall conduct a public hearing on the resolution of intent not less than 15 days after its adoption. Notice of the public hearing shall be given by publication at least 15 days before the hearing. All interested persons shall be heard at the public hearing.

(4) Before considering any proposal to lease or purchase, the municipality or hospital authority shall require information on charges, services, and indigent care at similar facilities owned or operated by the proposed lessee or buyer.

(5) Not less than 45 days after adopting a resolution of intent and not less than 30 days after conducting a public hearing on the resolution of intent, the municipality or hospital authority shall conduct a public hearing on proposals for lease or purchase that have been made. Notice of the public hearings shall be given by publication at least 10 days before the hearing. The notice shall state that copies of proposals for lease or purchase are available to the public.

(6) The municipality or hospital authority shall make copies of the proposals to lease or purchase available to the public at least 10 days before the public hearing on the proposals.

(7) Not less than 60 days after adopting a resolution of intent, the municipality or hospital authority at a regular meeting shall approve any lease, sale, or conveyance by a resolution. The municipality or hospital authority shall adopt this resolution only upon a finding that the lease, sale, or conveyance is in the public interest after considering whether the proposed lease, sale, or conveyance will meet the health-related needs of medically underserved groups, such as low income persons, racial and ethnic minorities, and handicapped persons. Notice of the regular meeting shall be given at least 10 days before the meeting and shall state that copies of the lease, sale, or conveyance proposed for approval are available.

(8) At least 10 days before the regular meeting at which any lease, sale, or conveyance is approved, the municipality or hospital authority shall make copies of the proposed contract available to the public.

(d1) Subsection (d) of this section does not apply to subleases in which the same tenant, acting as a sublessor, has continuously held possession of a hospital facility, or part of a hospital facility, since at least June 30, 1984; provided, however, that upon notice by the tenant to a municipality or hospital authority that the tenant, acting as a sublessor, has approved a sublease of a hospital facility, or part of a hospital facility, the municipality or hospital authority shall comply with the provisions of subdivisions (h)(1) through (h)(4) of this section.

…

(h) A municipality or hospital authority that has complied with the requirements of subdivisions (1) through (6) of subsection (d) of this section but has not, following good-faith negotiations, approved any lease, sale, or conveyance as required by subdivisions (7) and (8) of subsection (d) of this section may, not less than 120 days following the public hearing required by subdivision (5) of subsection (d) of this section, solicit additional prospective lessees or buyers not previously solicited as required by subdivision (2) of subsection (d) of this section and may approve any lease, sale, or conveyance without the necessity to repeat compliance with the requirements of subdivisions (1) through (6) of subsection (d) of this section, except for the following:

(1) Before considering any proposal to lease or purchase the hospital facility or part ~~thereof,~~ of a hospital facility, the municipality or hospital authority shall

require information on charges, services, and indigent care at similar facilities leased, owned, or operated by the proposed lessee or buyer.

(2) The municipality or hospital authority shall declare its intent to approve any lease or sale in the manner authorized by this subsection at a regular or special meeting held on 10 days' public notice. Such notice shall state that copies of the lease, sale, or conveyance proposed for approval will be available 10 days prior to the regular or special meeting required by subdivision (3) of this subsection and that the lease, sale, or conveyance shall be considered for approval at a regular or special meeting not less than 10 days following the regular or special meeting required by this subsection. Notice shall be given by publication in one or more papers of general circulation in the affected area describing the intent to lease, sell, or convey the hospital facility involved and the potential buyer or lessee.

(3) Not less than 10 days following the regular or special meeting required by subdivision (2) of this subsection, the municipality or hospital authority shall approve any lease, sale, or conveyance by a resolution at a regular or special meeting.

(4) At least 10 days before the regular or special meeting at which any lease, sale, or conveyance is approved, the municipality or hospital authority shall make copies of the proposed contract available to the public."

SECTION 53.(b) This section becomes effective January 1, 2024.

PART IV. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 54.(a) If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provision or application and, to this end, the provisions of this act are declared to be severable.

SECTION 54.(b) Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 22nd day of September, 2023.

s/ Phil Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

_____
Roy Cooper
Governor

Approved _____.m. this _____ day of _____, 2023