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SESSION 2023

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Third Edition Engrossed 5/4/23
Senate Agriculture, Energy, and Environment Committee Substitute Adopted 6/7/23

Short Title: Regulatory Reform Act of 2023.

(Public)

Sponsors:

Referred to:

April 17, 2023

A BILL TO BE ENTITLED
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.

...



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(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 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 (i) the Department, (ii) a unit of local government with permitting authority in whose jurisdiction the project to be permitted is located, or (iii), 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.
...."

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

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

12"

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

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

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

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

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

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

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

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

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

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

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

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 marine or estuarine resource listed in this subsection from coastal fishing waters, joint fishing waters, and inland fishing waters adjacent to coastal 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. 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, 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."

SECTION 6.(c) G.S. 113-170.3(f), as enacted by subsection (b) of this section, 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~~ be an infraction as provided in G.S. 14-3.1, punishable by a fine of thirty-five dollars (\$35.00)."

SECTION 6.(d) The Marine Fisheries 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.

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

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

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

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

11 (a) Except as hereinafter provided before any excavation or filling project is begun in any
12 estuarine waters, tidelands, marshlands, or State-owned lakes, the party or parties desiring to do
13 such shall first obtain a permit from the Department. Granting of the State permit shall not relieve
14 any party from the necessity of obtaining a permit from the United States Army Corps of
15 Engineers for work in navigable waters, if the same is required. The Department shall continue
16 to coordinate projects pertaining to navigation with the United States Army Corps of Engineers.
17

18 ...
19 (e) Applications for permits except special emergency permit applications shall be
20 circulated by the Department among all State agencies and, in the discretion of the Secretary,
21 appropriate federal agencies having jurisdiction over the subject matter which might be affected
22 by the project so that such agencies will have an opportunity to raise any objections they might
23 have. The Department may deny an application for a dredge or fill permit upon finding: (1) that
24 there will be significant adverse effect of the proposed dredging and filling on the use of the
25 water by the public; or (2) that there will be significant adverse effect on the value and enjoyment
26 of the property of any riparian owners; or (3) that there will be significant adverse effect on public
27 health, safety, and welfare; or (4) that there will be significant adverse effect on the conservation
28 of public and private water supplies; or (5) that there will be significant adverse effect on wildlife
29 or fresh water, estuarine or marine fisheries. In the absence of such findings, a permit shall be
30 granted. Such permit may be conditioned upon the applicant amending his proposal to take
31 whatever measures are reasonably necessary to protect the public interest with respect to the
32 factors enumerated in this subsection. Permits may allow for projects granted a permit the right
33 to maintain such project for a period of up to 10 years. The right to maintain such project shall
34 be granted subject to such conditions as may be reasonably necessary to protect the public
35 interest. The Coastal Resources Commission shall coordinate the issuance of permits under this
36 section and G.S. 113A-118 and the granting of variances under this section and G.S. 113A-120.1
37 to avoid duplication and to create a single, expedited permitting process. The Coastal Resources
38 Commission may adopt rules interpreting and applying the provisions of this section and rules
39 specifying the procedures for obtaining a permit under this section. Maintenance work as defined
40 in this subsection shall be limited to such activities as are required to maintain the project
41 dimensions as found in the permit granted. The Department shall act on an application for permit
42 within 75 days after the completed application is filed, provided the Department may extend such
43 deadline by not more than an additional 75 days if necessary to properly to consider the
44 application, except for applications for a special emergency permit, in which case the Department
45 shall act within two working days after an application is filed, and failure to so act shall
46 automatically approve the application. The Department shall act on an application for a permit
47 for activities in a United States Coast Guard marked navigational channel within 30 days after
48 the completed application is filed, provided the Department may extend such deadline by not
49 more than an additional 30 days if necessary to properly consider the application, and failure to
50 so act shall automatically approve the application.
51

...."

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

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

"§ 143-214.1A. Water quality certifications.

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):

- (1) Within 30 days of the filing of such 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. 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.
- (2) Within 60 days of the filing of a completed application, the Department shall either approve or deny the application. Failure of the Department to act within the requisite 60-day period 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 review period 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 United States Environmental Protection Agency to extend that time frame for a period not to exceed one year.
- (3) Department review of applications for certification shall be limited to water quality impacts from point source discharges from the proposed project into navigable waters located within the State and shall not consider water quality impacts from the activity as a whole.
- (4) The Department shall issue a certification upon determining that the proposed discharge from a point source of the proposed project into navigable waters will comply with State water quality standards.
- (5) The Department may issue or deny an application, or waive certification, but shall not require an applicant to withdraw an application."

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

DEQ TO REQUEST USEPA APPROVAL TO REQUIRE ADOPTION OF WATER QUALITY CRITERIA FOR SPECIFIC POLLUTANTS TO ESTABLISH EFFLUENT STANDARDS IN PERMITS

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

"§ 143-215. Effluent standards or limitations.

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

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

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

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

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

(1) October 1, 2023.

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

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

ENVIRONMENTAL MANAGEMENT COMMISSION TO STUDY NARRATIVE WATER QUALITY STANDARDS

SECTION 7.3. 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 April 1, 2024.

SHALLOW DRAFT NAVIGATION CHANNEL DREDGING AND AQUATIC WEED FUND CHANGES

SECTION 8. 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 ~~seasement 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.

(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.

...."

SHALLOW DRAFT RULES APPLICABILITY CHANGE

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

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

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

SECTION 8.5.(d) Additional Rulemaking Authority. – The Department shall adopt a rule to amend the Shallow Draft Applicability Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Department 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 8.5.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

FLOTATION DEVICES REQUIREMENTS

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

"Part 12. Submersible Polystyrene Devices.

"§ 143-215.75A. 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.

"§ 143-215.75B. 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.

"§ 143-215.75C. 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.

"§ 143-215.75D. 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.

"§ 143-215.75E. 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.

"§ 143-215.75F. Rulemaking authority.

The Department shall adopt rules to implement this Article."

SECTION 9.(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 10.(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) All State guidelines, statements of objectives, policies, and standards to be followed in the use of land and water within the coastal area shall directly reference the enabling statute or rule and be available to the public on the Department's website."

SECTION 10.(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 10.(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 10.5. 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 11. 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 12.(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 12.(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 12.(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 13.(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 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 13.(b) This section is effective when it becomes law and applies to the sale of nutrient offset credits by a nutrient offset bank owned by a unit of local government on or after that date.

SHORTEN SEPTAGE MANAGEMENT PERMITTING REVIEW AND CLARIFY PUMPER TRUCK FEE

SECTION 13.5. 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 90-30 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 firm within 30 business days, the septage management firm is deemed permitted and may begin operation if all other requirements of vehicle identification and disposal requirements 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 pumper trucks operated by a septage management firm shall be limited to only those pumper trucks that transport septage on State-maintained roads.

...."

PROHIBIT COUNTIES FROM REGULATING BY ORDINANCE CERTAIN OFF-SITE WASTEWATER SYSTEMS

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

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

ALLOW ALTERNATIVE PEAK DAILY SEWAGE FLOW RATES AND PERMIT WASTEWATER TREATMENT SYSTEM EXPANSIONS BEYOND EXISTING ALLOCATION IN CERTAIN CIRCUMSTANCES

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

"(f3) The permittee for a wastewater treatment system may calculate its wastewater flows for new dwelling units, including 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.

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

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

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

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

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

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

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

SECTION 16.(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 or recycled 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 disposal and recycling, 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 16.(b) The Department may adopt rules to establish a regulatory framework for the proper handling of end-of-life lithium batteries and photovoltaic modules to implement the requirements of this section.

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

CLARIFY BROWNFIELD PROGRAM CONSTRUCTION

SECTION 17. 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

- 1 result of the illegal disposal of waste or for the pollution of the land, air, or
2 waters of this State on a brownfields property.
- 3 (9) Relieve a person of any liability for failure to exercise due diligence and
4 reasonable care in performing an environmental assessment or transaction
5 screen.
- 6 (10) Limit or preclude a prospective developer from performing an investigation
7 of a brownfields property without prior approval from the Department."
8

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

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

- 13 (1) Airport Impacted Property. – Any tract of property that is part of or contiguous
14 to an airport located in the Neuse River Basin that accommodates greater than
15 10,000,000 passengers annually that is impacted by the construction of one or
16 more borrow pit areas in connection with the construction of a new or
17 relocated runway in excess of 10,000 feet in length at that airport.
- 18 (2) Neuse River Basin. – The Neuse River Basin shall mean the area defined by
19 waters and buffer areas included in 15A NCAC 02B .0315, or that are
20 otherwise covered by the provisions of 15A NCAC 02B .0710 through .0715
21 of the Neuse River Basin Riparian Buffer Rules.
- 22 (3) Neuse River Basin Riparian Buffer Rules. – The Neuse River Basin Riparian
23 Buffer Rules shall mean the provisions of Sections .0200, .0600, and .0700 of
24 Subchapter 02B of Title 15A of the North Carolina Administrative Code that
25 apply to the Neuse River Basin.

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

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

- 31 (1) The term "airport facilities" as defined in 15A NCAC 02B .0610 and 15A
32 NCAC 02B .0267 shall include all areas used or suitable for use as borrow
33 areas, staging areas, or other similar areas of the airport that are used or
34 suitable for use directly or indirectly in connection with the construction,
35 dismantling, modification or similar action pertaining to any of the properties,
36 facilities, buildings, or structures set forth in sub-subdivisions (a) through (q)
37 of subdivision (1) of those rules. The term as amended by this section shall
38 apply to all Neuse River Basin Riparian Buffer Rules.
- 39 (2) Notwithstanding any provisions of the Neuse River Basin Riparian Buffer
40 Rules, no Authorization Certificate under 15A NCAC 02B .0611(b) shall be
41 required for any work in connection with an Airport Impacted Property, but
42 such work shall be required to provide for mitigation in conformance with
43 applicable Neuse River Basin Riparian Buffer Rules.

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

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

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

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

8 **"§ 143-215.52. Definitions.**

9 (a) As used in this Part:

10 ...

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

13 ...

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

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

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

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

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

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

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

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

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

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

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

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

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

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 20. 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 21. G.S. 62-110.3 reads as rewritten:

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

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

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

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

...

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

(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."

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 22.(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 22.(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 22.5.(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 22.5.(b) Article 21 of Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-499.6. 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 22.5.(c) This section shall not affect any authority otherwise granted to counties and cities in State statute.

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

SYSTEM DEVELOPMENT FEE CLARIFICATION

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

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

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

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

"§ 162A-205. Supporting analysis.

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

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

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

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

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

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

(1) Costs of constructing capital improvements including, and limited to, any of the following:

- a. Construction contract prices.
- b. Surveying and engineering fees.
- c. Land acquisition cost.
- d. Principal and interest on bonds, notes, or other obligations issued by or on behalf of the local governmental unit to finance any costs for an item listed in sub-subdivisions a. through c. of this subdivision.

(2) Professional fees incurred by the local governmental unit for preparation of the system development fee analysis.

(3) If no capital improvements are planned for construction within five years or the foregoing costs are otherwise paid or provided for, then principal and interest on bonds, notes, or other obligations issued by or on behalf of a local governmental unit to finance the construction or acquisition of existing capital improvements.

(4) Contractual obligations to another local government unit for capacity in such facilities owned by another local government unit.

...."

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

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

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

"§ 95-25.14. Exemptions.

...

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

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

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

CODIFY MEDICAL RECORD RETENTION REQUIREMENT FOR HEALTH CARE PROVIDERS

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

"§ 90-413. Retention of medical records.

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

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

SECTION 26. 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 have not

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 27. 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 of their children, ~~provided the arrangement occurs in the home of one of the cooperative participants;~~ children;

...."

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

SECTION 28.(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 28.(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 28.(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 28.(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 28.(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 28.5. G.S. 143-138 is amended by adding a new subsection to read:

"(b23) 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 29. 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:

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

EMERGENCY SUPPLY CHAIN DECLARATION FOR LOCAL GOVERNMENTS

SECTION 30.(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 30.(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."

PART III. MISCELLANEOUS PROVISIONS

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

"(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 31.(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 32.(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.
- (e)(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 32.(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 33.(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~~ 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 33.(b) Effective July 1, 2024, G.S. 143B-1405 is repealed.

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

PART IV. SEVERABILITY CLAUSE AND EFFECTIVE DATE

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