GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2017

H D

HOUSE BILL 56

Committee Substitute Favorable 4/20/17 Third Edition Engrossed 4/24/17 PROPOSED SENATE COMMITTEE SUBSTITUTE H56-PCS10361-SBf-23

Short Title:	Amend Environmental Laws.	(Public)
Sponsors:		
Referred to:		

February 8, 2017

1 A BILL TO BE ENTITLED 2 AN ACT TO AMEND VARIOUS ENVIRONMENTAL LAWS.

The General Assembly of North Carolina enacts:

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FINANCIAL ASSURANCE MODIFICATIONS FOR RISK-BASED CLEANUPS

SECTION 1. G.S. 130A-310.72 reads as rewritten:

"§ 130A-310.72. Financial assurance requirement.

The person conducting remediation of a contaminated industrial site pursuant to the provisions of this Part shall establish financial assurance that will ensure that sufficient funds are available to implement and maintain the actions or controls specified in the remedial action plan for the site. The person conducting remediation of a site may establish financial assurance through one of the following mechanisms, or any combination of the following mechanisms, in a form specified or approved by the Department: insurance products issued from entities having no corporate or ownership association with the person conducting the remediation; funded trusts; surety bonds; certificates of deposit; letters of credit; corporate financial tests; local government financial tests; corporate guarantees; local government guarantees; capital reserve funds; or any other financial mechanism authorized for the demonstration of financial assurance under (i) 40 Code of Federal Regulations Part 264, Subpart H (July 1, 2010 Edition) and (ii) Section .1600 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code. Proof of financial assurance shall be provided in the remedial action plan and annually thereafter on the anniversary date of the approval of the plan. The Department may waive the requirement for a person conducting remediation of a contaminated site pursuant to the provisions of this Part to establish or maintain financial assurance if the Department finds that the only actions or controls to be implemented or maintained as part of the remedial action plan for the site include either or both of the following:

- (1) Annual reporting of land-use controls.
- (2) The maintenance of durable or low-maintenance covers for contaminated soil."

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REPEAL OBSOLETE HAZARDOUS WASTE PROVISIONS

SECTION 2.(a) G.S. 130A-294(k) is repealed. **SECTION 2.(b)** G.S. 130A-309.17 is repealed.

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LAND-USE RESTRICTIONS FOR PROPERTY CONTAMINATED BY A NON-UST PETROLEUM DISCHARGE OR RELEASE

SECTION 3.(a) G.S. 143B-279.9(b) reads as rewritten:

- The definitions set out in G.S. 143-215.94A apply to this subsection. A remedial "(b)action plan for the cleanup of environmental damage resulting from a discharge or release of petroleum from an underground storage tank pursuant to Part 2A of Article 21A of Chapter 143 of the General Statutes Statutes, other petroleum sources, or from an aboveground storage tank pursuant to Part 7 of Article 21A of Chapter 143 of the General Statutes must include an agreement by the owner, operator, or other party responsible for the discharge or release of petroleum to record a notice of any applicable land-use restrictions that meet the requirements of this subsection as provided in G.S. 143B-279.11. All of the provisions of this section shall apply except as specifically modified by this subsection and G.S. 143B-279.11. Any restriction on the current or future use of real property pursuant to this subsection shall be enforceable only with respect to: (i) real property on which the source of contamination is located and (ii) any real property on which contamination is located at the time the remedial action plan is approved and that was owned or controlled by any owner or operator of the underground storage tank or other responsible party at the time the discharge or release of petroleum is discovered or reported or at any time thereafter. No restriction on the current or future use of real property shall apply to any portion of any parcel or tract of land on which contamination is not located. This subsection shall not be construed to require any person to record any notice of restriction on the current or future use of real property other than the real property described in this subsection. For purposes of this subsection and G.S. 143B-279.11, the Secretary may restrict current or future use of real property only as set out in any one or more of the following subdivisions:
 - (1) Where soil contamination will remain in excess of unrestricted use standards, the property may be used for a primary or secondary residence, school, daycare center, nursing home, playground, park, recreation area, or other similar use only with the approval of the Department.
 - (2) Where soil contamination will remain in excess of unrestricted use standards and the property is used for a primary or secondary residence that was constructed before the release of petroleum that resulted in the contamination is discovered or reported, the Secretary may approve alternative restrictions that are sufficient to reduce the risk of exposure to contaminated soils to an acceptable level while allowing the real property to continue to be used for a residence.
 - (3) Where groundwater contamination will remain in excess of unrestricted use standards, installation or operation of any well usable as a source of water shall be prohibited.
 - (4) Any restriction on the current or future use of the real property that is agreed upon by both the owner of the real property and the Department.

Except with respect to land contaminated from a discharge or release of petroleum from an underground storage tank, the imposition of restrictions on the current or future use of real property on sites contaminated by the discharge or release of petroleum from an aboveground storage tank, or another petroleum source, from which contamination has migrated to off-site properties, as that term is defined under G.S. 130A-310.65(3a), shall only be allowed as provided in G.S. 143-215.104AA or G.S. 130A-310.73A, as applicable."

SECTION 3.(b) G.S. 143B-279.11 reads as rewritten:

"§ 143B-279.11. Recordation of residual petroleum from an underground or aboveground storage tank.tanks or other sources.

(a) The definitions set out in G.S. 143-215.94A and G.S. 143B-279.9 apply to this section. This section applies only to a cleanup pursuant to a remedial action plan that addresses

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environmental damage resulting from a discharge or release of petroleum from an underground storage tank pursuant to Part 2A of Article 21A of Chapter 143 of the General Statutes. Statutes or from an aboveground storage tank or other petroleum source pursuant to Part 7 of Article 21A of Chapter 143 of the General Statutes.

- The owner, operator, or other person responsible for a discharge or release of petroleum from an underground storage tank, aboveground storage tank, or other petroleum source shall prepare and submit to the Department a proposed Notice that meets the requirements of this section. The proposed Notice shall be submitted to the Department (i) before the property is conveyed, or (ii) when the owner, operator, or other person responsible for the discharge or release requests that the Department issue a determination that no further action is required under the remedial action plan, whichever first occurs. The Notice shall be entitled "NOTICE OF RESIDUAL PETROLEUM". The Notice shall include a description that would be sufficient as a description in an instrument of conveyance of the (i) real property on which the source of contamination is located and (ii) any real property on which contamination is located at the time the remedial action plan is approved and that was owned or controlled by any owner or operator of the underground storage tank, aboveground storage tank, or other petroleum source, or other responsible party at the time the discharge or release of petroleum is discovered or reported or at any time thereafter. The Notice shall identify the location of any residual petroleum known to exist on the real property at the time the Notice is prepared. The Notice shall also identify the location of any residual petroleum known, at the time the Notice is prepared, to exist on other real property that is a result of the discharge or release. The Notice shall set out any restrictions on the current or future use of the real property that are imposed by the Secretary pursuant to G.S. 143B-279.9(b) to protect public health, the environment, or users of the property.
- (c) If the contamination is located on more than one parcel or tract of land, the Department may require that the owner, operator, or other person responsible for the discharge or release prepare a composite map or plat that shows all parcels or tracts. If the contamination is located on one parcel or tract of land, the owner, operator, or other person responsible for the discharge or release may prepare a map or plat that shows the parcel but is not required to do so. A map or plat shall be prepared and certified by a professional land surveyor, shall meet the requirements of G.S. 47-30, and shall be submitted to the Department for approval. When the Department has approved a map or plat, it shall be recorded in the office of the register of deeds and shall be incorporated into the Notice by reference.
- The Department shall review the proposed Notice to determine whether the Notice meets the requirements of this section and rules adopted to implement this section and shall provide the owner, operator, or other person responsible for the discharge or release of petroleum from an underground storage tank, aboveground storage tank, or other petroleum source, with a notarized copy of the approved Notice. After the Department approves the Notice, the owner, operator, or other person responsible for the discharge or release of petroleum from an underground storage tank, aboveground storage tank, or other petroleum source shall file a notarized copy of the approved Notice in the register of deeds office in the county or counties in which the real property is located (i) before the property is conveyed or (ii) within 30 days after the owner, operator, or other person responsible for the discharge or release receives notice from the Department that no further action is required under the remedial action plan, whichever first occurs. If the owner, operator, or other person responsible for the discharge or release fails to file the Notice as required by this section, any determination by the Department that no further action is required is void. The owner, operator, or other person responsible for the discharge or release, may record the Notice required by this section without the agreement of the owner of the real property. The owner, operator, or other person responsible for the discharge or release shall submit a certified copy of the Notice as filed in the register of deeds office to the Department.

- (e) Repealed by Session Laws 2012-18, s. 1.23, effective July 1, 2012.
- (f) In the event that the owner, operator, or other person responsible for the discharge or release fails to submit and file the Notice required by this section within the time specified, the Secretary may prepare and file the Notice. The costs thereof may be recovered by the Secretary from any responsible party. In the event that an owner of the real property who is not a responsible party submits and files the Notice required by this section, the owner may recover the reasonable costs thereof from any responsible party.
- (g) A Notice filed pursuant to this section shall, at the request of the owner of the real property, be cancelled by the Secretary after the residual petroleum has been eliminated or remediated to unrestricted use standards. If requested in writing by the owner of the land, the Secretary shall send to the register of deeds of each county where the Notice is recorded a statement that the residual petroleum has been eliminated, or that the residual petroleum has been remediated to unrestricted use standards, and request that the Notice be cancelled of record. The Secretary's statement shall contain the names of the owners of the land as shown in the Notice and reference the plat book and page where the Notice is recorded.
- (h) Except with respect to land contaminated from a discharge or release of petroleum from an underground storage tank, the provisions of this section shall only apply to sites contaminated by the discharge or release of petroleum from an aboveground storage tank, or another petroleum source, from which contamination has migrated to off-site properties, as that term is defined under G.S. 130A-310.65(3a), in compliance with the requirements of G.S. 143-215.104AA or G.S. 130A-310.73A, as applicable."

CLARIFICATION FOR REPORTING OF WASTEWATER DISCHARGES

SECTION 4. G.S. 143-215.1C reads as rewritten:

- "§ 143-215.1C. Report to wastewater system customers on system performance; report discharge of untreated wastewater to the Department; publication of notice of discharge of untreated wastewater and waste.
- (a) Report to Wastewater System Customers. The owner or operator of any wastewater collection or treatment works, the operation of which is primarily to collect or treat municipal or domestic wastewater and for which a permit is issued under this Part and having an average annual flow greater than 200,000 gallons per day, shall provide to the users or customers of the collection system or treatment works and to the Department an annual report that summarizes the performance of the collection system or treatment works and the extent to which the collection system or treatment works has violated the permit or federal or State laws, regulations, or rules related to the protection of water quality. The report shall be prepared on either a calendar or fiscal year basis and shall be provided no later than 60 days after the end of the calendar or fiscal year.
- (a1) Report Discharge of Untreated Wastewater to the Department. Except as required in subsection (d) of this section, the—The owner or operator of any wastewater collection or treatment works for which a permit is issued under this Part—shall report a discharge of 1,000 gallons or more of untreated wastewater to the surface—to land, or a spill of any amount that reaches waters of the State—State, to the Department as soon as practicable, but no later than 24 hours after the owner or operator has determined that the discharge has reached the surface waters of the State—first knowledge of the spill. This reporting requirement shall be in addition to any other reporting requirements applicable to the owner or operator of the wastewater collection or treatment works.
- (b) Publication of Notice of Discharge of Untreated Wastewater. Except as required in subsection (d) of this section, the The owner or operator of any wastewater collection or treatment works, the operation of which is primarily to collect or treat municipal or domestic wastewater and for which a permit is issued under this Part shall:

(c) Publication of Notice of Discharge of Untreated Waste. – Except as required in subsection (d) of this section, the The owner or operator of any wastewater collection or treatment works, other than a wastewater collection or treatment works the operation of which is primarily to collect or treat municipal or domestic wastewater, for which a permit is issued under this Part-wastewater shall:

(d) <u>During extraordinary circumstances, including major floods, named storms, or extreme weather, which make it impracticable to measure or otherwise collect data regarding a discharge, the Department may extend the time period for making, or the Department may waive, reports required under subsection (a1) of this section, including any written, follow-up report required pursuant thereto. In the event of extraordinary circumstances, the Department may also extend the time period for issuing or publishing, or the Department may waive, any press release or notice required under subsections (b) and (c) of this section."</u>

CONSOLIDATE VARIOUS WATER RESOURCES AND WATER QUALITY REPORTS BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY

SECTION 5.(a) G.S. 143-355(m) is repealed.

SECTION 5.(b) G.S. 143-355(p) reads as rewritten:

"(p) Report. – The Department of Environmental Quality shall report to the Environmental Review Commission on the implementation of this section, including the development of the State water supply plan and the development of basinwide hydrologic models, no later than November 1 of each year. The Department shall submit the report required by this subsection with the report on basinwide water quality—management plans required by G.S. 143-215.8B(d) as a single report."

COASTAL AREA MANAGEMENT ACT MODIFICATIONS

SECTION 6.(a) G.S. 113A-124(c) is amended by adding a new subdivision to read:

"(c) The Commission shall have the following additional powers and duties under this Article:

- (1) To recommend to the Secretary the acceptance of donations, gifts, grants, contributions and appropriations from any public or private source to use in carrying out the provisions of this Article.
- (2) To recommend to the Secretary of Administration the acquisition by purchase, gift, condemnation, or otherwise, lands or any interest in any lands within the coastal area.
- (3) To hold such public hearings as the Commission deems appropriate.
- (4) To delegate the power to conduct a hearing, on behalf of the Commission, to any member of the Commission or to any qualified employee of the Department. Any person to whom a delegation of power is made to conduct a hearing shall report his recommendations with the evidence and the record of the hearing to the Commission for decision or action.
- (5) Repealed by Session Laws 1987, c. 827, s. 141.
- (6) To delegate the power to determine whether a contested case hearing is appropriate in accordance with G.S. 113A-121.1(b).
- (7) To delegate the power to grant or deny requests for declaratory rulings under G.S. 150B-4 in accordance with standards adopted by the Commission.
- (8) To adopt rules to implement this Article.
- (9) To delegate the power to approve land-use plan for a county in accordance with G.S. 113A-110(f) to any qualified employee of the Department."

SECTION 6.(b) G.S. 113A-119 reads as rewritten:

"§ 113A-119. Permit applications generally.

- (a) Any person required to obtain a permit under this Part shall file with the Secretary and (in the case of a permit sought from a city or county) with the designated local official an application for a permit in accordance with the form and content designated by the Secretary and approved by the Commission. The applicant must submit with the application a check or money order payable to the Department or the city or county, as the case may be, constituting a fee set by the Commission pursuant to G.S. 113A-119.1.
- Upon receipt of any application, a significant modification to an application for a major permit, or an application to modify substantially a previously issued major permit, the Secretary shall issue public notice of the proposed development (i) by mailing a copy of the application or modification, or a brief description thereof together with a statement indicating where a detailed copy of the proposed development may be inspected, to any citizen or group which has filed a request to be notified of the proposed development, and to any interested State agency; (ii) with the exception of minor permit applications, by posting or causing to be posted a notice at the location of the proposed development stating that an application, a modification of an application for a major permit, or an application to modify a previously issued major permit for development has been made, where the application or modification may be inspected, and the time period for comments; and (iii) with the exception of minor permit applications, by publishing notice of the application or modification at least once in one newspaper of general circulation in the county or counties wherein the development would be located at least 20 days before final action on a major permit or before the beginning of the hearing on a permit under G.S. 113A-122. The notice shall set out that any comments on the development should be submitted to the Secretary by a specified date, not less than 15 days from the date of the newspaper publication of the notice or 15 days after mailing of the mailed notice, whichever is later.
- (c) Within the meaning of this Part, the "designated local official" is the official who has been designated by the local governing body to receive and consider permit applications under this Part."

CLARIFY SETBACK DETERMINATION FOR PERMITTED DISPOSAL SYSTEMS SECTION 9. G.S. 143-215.1(i) reads as rewritten:

"(i) Any person subject to the requirements of this section who is required to obtain an individual permit from the Commission for a disposal system under the authority of G.S. 143-215.1 or Chapter 130A of the General Statutes shall have a compliance boundary as may be established by rule or permit for various categories of disposal systems and beyond which groundwater quality standards may not be exceeded. Multiple contiguous properties under common ownership and permitted for use as a disposal system shall be treated as a single property with regard to determination of a compliance boundary and setbacks to property lines."

REPEAL PLASTIC BAG BAN

SECTION 10.(a) Part 2G of Article 9 of Chapter 130A of the General Statutes is repealed.

SECTION 10.(b) G.S. 130A-22(a) reads as rewritten:

"(a) The Secretary of Environmental Quality may impose an administrative penalty on a person who violates Article 9 of this Chapter, rules adopted by the Commission pursuant to Article 9, or any term or condition of a permit or order issued under Article 9. Each day of a continuing violation shall constitute a separate violation. The penalty shall not exceed fifteen thousand dollars (\$15,000) per day in the case of a violation involving nonhazardous waste. The penalty shall not exceed thirty-two thousand five hundred dollars (\$32,500) per day in the case of a first violation involving hazardous waste as defined in G.S. 130A-290 or involving

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the disposal of medical waste as defined in G.S. 130A-290 in or upon water in a manner that results in medical waste entering waters or lands of the State; and shall not exceed fifty thousand dollars (\$50,000) per day for a second or further violation involving the disposal of medical waste as defined in G.S. 130A-290 in or upon water in a manner that results in medical waste entering waters or lands of the State. The penalty shall not exceed thirty-two thousand five hundred dollars (\$32,500) per day for a violation involving a voluntary remedial action implemented pursuant to G.S. 130A-310.9(c) or a violation of the rules adopted pursuant to G.S. 130A-310.12(b). The penalty shall not exceed one hundred dollars (\$100.00) for a first violation; two hundred dollars (\$200.00) for a second violation within any 12-month period; and five hundred dollars (\$500.00) for each additional violation within any 12-month period for any violation of Part 2G of Article 9 of this Chapter. For violations of Part 7 of Article 9 of this Chapter and G.S. 130A-309.10(m): (i) a warning shall be issued for a first violation; (ii) the penalty shall not exceed two hundred dollars (\$200.00) for a second violation; and (iii) the penalty shall not exceed five hundred dollars (\$500.00) for subsequent violations. If a person fails to pay a civil penalty within 60 days after the final agency decision or court order has been served on the violator, the Secretary of Environmental Quality shall request the Attorney General to institute a civil action in the superior court of any county in which the violator resides or has his or its principal place of business to recover the amount of the assessment. Such civil actions must be filed within three years of the date the final agency decision or court order was served on the violator."

SECTION 10.(c) Section 13.10(c) of S.L. 2010-31 is repealed.

SECTION 10.(d) This section becomes effective July 1, 2017.

AMEND THE RULE FOR POOL LIGHTING

SECTION 11.(a) Definitions. – "Pool Lighting and Ventilation Rule" means 15A NCAC 18A .2524 (Lighting and Ventilation) for purposes of this section and its implementation.

SECTION 11.(b) Pool Lighting and Ventilation Rule. – Until the effective date of the revised permanent rule that the Commission for Public Health is required to adopt pursuant to subsection (d) of this section, the Commission and local inspectors shall implement the Pool Lighting and Ventilation Rule, as provided in subsection (c) of this section.

SECTION 11.(c) Implementation. — The Commission shall require pool illumination sufficient to illuminate the main drains of a pool. The Commission shall require pool illumination sufficient to illuminate the deck area of a pool so that it is visible at all times the pool is in use but shall not require specific foot candles of illumination for the deck area.

SECTION 11.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend the Pool Lighting and Ventilation 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 by G.S. 150B-21.3(b2).

SECTION 11.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

COASTAL STORMWATER PROGRAM VARIANCE

SECTION 12.(a) Notwithstanding S.L. 2008-211 and rules adopted to implement the act, any subdivision meeting all of the following requirements shall be deemed to be in compliance with the impervious surface limitations of the act and its implementing rules:

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The original developer of the subdivision transferred the stormwater permit to the homeowners association for the subdivision and, at the time of the transfer, the homeowners association had no notice from the original developer or any regulatory agency that the subdivision was not in compliance with the impervious surface limitations.

years prior to the effective date of this act.

The subdivision's original declaration of covenants was recorded at least 20

SECTION 12.(b) This section applies only to impervious surface built prior to January 1, 2017. Any impervious surface built on or after January 1, 2017, shall be subject to S.L. 2008-211 and its implementing rules.

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AMEND THE RULE FOR PROTECTION OF EXISTING BUFFERS IN THE JORDAN LAKE WATERSHED TO EXEMPT CERTAIN APPLICABILITY REQUIREMENTS FOR PUBLIC SAFETY

SECTION 13.(a) Definitions. – "Protection of Existing Buffers Rule" means 15A NCAC 02B .0267 (Jordan Water Supply Nutrient Strategy: Protection of Existing Riparian Buffers) for purposes of this section and its implementation.

SECTION 13.(b) Protection of Existing Buffers Rule. – Until the effective date of the revised permanent rule that the Environmental Management Commission is required to adopt pursuant to subsection (d) of this section, the Commission and the Department of Environmental Quality shall implement the Protection of Existing Buffers Rule, as provided in subsection (c) of this section.

SECTION 13.(c) Implementation. – The Commission shall exempt from the applicability requirements of the Protection of Existing Buffers Rule any publicly owned spaces where it has been determined by the head of the local law enforcement agency with jurisdiction over that area that the buffers pose a risk to public safety.

SECTION 13.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend the Protection of Existing Buffers 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 by G.S. 150B-21.3(b2).

SECTION 13.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

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AMEND THE RULE FOR PROTECTION AND MAINTENANCE OF EXISTING **BUFFERS IN THE** CATAWBA RIVER BASIN TO EXEMPT **CERTAIN** APPLICABILITY REQUIREMENTS FOR PUBLIC WALKING TRAILS

SECTION 14.(a) Definitions. – "Protection and Maintenance of Existing Riparian Buffers Rule" means 15A NCAC 02B .0243 (Catawba River Basin: Protection and Maintenance of Existing Riparian Buffers) for purposes of this section and its implementation.

SECTION 14.(b) Protection and Maintenance of Existing Riparian Buffers Rule. – Until the effective date of the revised permanent rule that the Environmental Management Commission is required to adopt pursuant to subsection (d) of this section, the Commission and the Department of Environmental Quality shall implement the Protection and Maintenance of Existing Riparian Buffers Rule, as provided in subsection (c) of this section.

SECTION 14.(c) Implementation. – The Commission shall exempt from the applicability requirements of the Protection and Maintenance of Existing Riparian Buffers Rule any publicly owned property that will be used for walking trails.

SECTION 14.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend the Protection and Maintenance of Existing Riparian Buffers 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 by G.S. 150B-21.3(b2).

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

RIPARIAN BUFFER TAX EXCLUSION

SECTION 15.(a) G.S. 105-275 reads as rewritten:

"§ 105-275. Property classified and excluded from the tax base.

The following classes of property are designated special classes under Article V, Sec. 2(2), of the North Carolina Constitution and are excluded from tax:

. .

- (49) That portion of real property that is subject to any of the following riparian buffer rules and that is being used as a riparian buffer:
 - <u>A. Neuse River Basin: Nutrient Sensitive Waters Management Strategy:</u>
 <u>Protection and Maintenance of Existing Riparian Buffers (15A NCAC 02B .0233).</u>
 - b. <u>Tar-Pamlico River Basin: Nutrient Sensitive Waters Management Strategy: Protection and Maintenance of Existing Riparian Buffers (15A NCAC 02B. 0259).</u>
 - c. Randleman Lake Water Supply Watershed: Protection and Maintenance of Existing Riparian Buffers (15A NCAC 02B .0250).
 - <u>d.</u> <u>Jordan Water Supply Nutrient Strategy: Protection of Existing</u> Riparian Buffers (15A NCAC 02B .0267).
 - e. Goose Creek Watershed Water Quality Management Plan (15A NCAC 02B .0605, 15A NCAC 02B .0606, 15A NCAC 02B .0607, 15A NCAC 02B .0608).
 - <u>f.</u> <u>Mitigation Program Requirements for Protection and Maintenance of Riparian Buffers (15A NCAC 02B .0295).</u>
 - g. <u>Catawba River Basin: Protection and Maintenance of Existing</u> Riparian Buffers (15A NCAC 02B .0243)."

SECTION 15.(b) This section is effective for taxes imposed for taxable years beginning on or after July 1, 2018.

WATER QUALITY TESTING

SECTION 16. The Division of Water Resources of the Department of Environmental Quality shall conduct a water quality sampling program for nutrients along the mainstem of the Catawba River. The study shall include water quality sampling for nutrients above, in, and below each major tributary of the Catawba River. No later than October 1, 2018, the Division shall report the results of the study to the Environmental Review Commission.

MINING PERMITTING REVISIONS

SECTION 17.(a) G.S. 74-50(d) reads as rewritten:

"(d) An operating permit shall be granted for a period not exceeding 10 years. If Except as provided in subsection (d1) of this section, permits for mining operations shall be issued for the life-of-site of the operation unless revoked as otherwise provided under this Article. For

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purposes of this section, "life-of-site" means the period from the initial receipt of a permit from the operation until the mining operation terminates and the reclamation required under the approved reclamation plan is completed prior to the end of the period, completed, the permit shall terminate.completed. Termination of a permit shall not have the effect of relieving the operator of any obligations that the operator has incurred under an approved reclamation plan or otherwise. Where the mining operation itself has terminated, no permit shall be required in order to carry out reclamation measures under the reclamation plan.

Permits for mining operations conducted on real property that is leased from a public entity shall be issued for the life-of-lease. For purposes of this subsection, the following terms apply: (i) "life-of-lease" means the duration of the lease between the owner or operator of the mining operation and a public entity and (ii) "public entity" means the State, any State agency, State college or university, county, municipal corporation, local board of education, community college, special district, or other political subdivision of the State. Termination of a permit shall not have the effect of relieving the operator of any obligations that the operator has incurred under an approved reclamation plan or otherwise. Where the mining operation itself has terminated, no permit shall be required in order to carry out reclamation measures under the reclamation plan."

SECTION 17.(b) G.S. 74-51(d)(7) is amended by adding a new sub-subdivision to

"f. Failure to pay the application processing fee required under G.S. 74-54.1."

SECTION 17.(c) G.S. 74-52 reads as rewritten:

"§ 74-52. Permits – Modification, renewal. Permit modifications.

- Any operator engaged in mining under an operating permit may apply at any time for modification of the permit. A permittee may apply for renewal of the permit at any time during the two years prior to the expiration of the permit. The application shall be in writing upon forms furnished by the Department and shall fully state the information called for. The applicant must provide the Department with any additional information necessary to satisfy application requirements. The applicant is not required to resubmit information that remains unchanged since the time of the prior application. In addition, the applicant may be required to furnish any other information as may be deemed necessary by the Department in order adequately to enforce the Article.
- The procedure to be followed and standards to be applied in renewing a permit shall be the same as those for issuing a permit; provided, however, that in the absence of any changes in legal requirements for issuance of a permit since the date on which the prior permit was issued, the only basis for denying a renewal permit shall be an uncorrected violation of the type listed in G.S. 74-51(7), or failure to submit an adequate reclamation plan in light of conditions then existing.
- A modification under this section may affect the land area covered by the permit, the approved reclamation plan coupled with the permit, or other terms and conditions of the permit. A permit may be modified to include land neighboring the affected land, but not other lands. The reclamation plan may be modified in any manner, so long as the Department determines that the modified plan fully meets the standards set forth in G.S. 74-53 and that the modifications would be generally consistent with the bases for issuance of the original permit. Other terms and conditions may be modified only where the Department determines that the permit as modified would meet all requirements of G.S. 74-50 and [G.S.] 74-51.-No modification shall extend the expiration date of any permit issued under this Article.
- No modification or renewal of a permit shall become effective until any required changes have been made in the performance bond or other security posted under the provisions of G.S. 74-54, so as to assure the performance of obligations assumed by the operator under the permit and reclamation plan."

SECTION 17.(d) G.S. 74-54 reads as rewritten:

"§ 74-54. Bonds.

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- (a) Each applicant for an operating permit, or for the renewal of amodification of an existing permit shall, following the approval of the application, file and maintain in force a bond in favor of the State of North Carolina, executed by a surety approved by the Commissioner of Insurance, in the amount set forth below. The bond herein provided for must be continuous in nature and shall remain in force until cancelled by the surety. Cancellation by the surety shall be effectuated only upon 60 days written notice thereof to the Department and to the operator.
- (b) The applicant shall have the option of filing a separate bond for each operating permit or of filing a blanket bond covering all mining operations within the State for which the applicant holds a permit. The amount of each bond shall be based upon the area of affected land to be reclaimed under the approved reclamation plan or plans to which the bond pertains, less any area where reclamation has been completed and released from coverage by the Department, pursuant to G.S. 74-56, or based on any other criteria established by the Commission. Commission, but shall not exceed one million dollars (\$1,000,000). The Department shall set the amount of the required bond in all cases, based upon a schedule established by the Commission.

...."

SECTION 17.(e) G.S. 74-54.1 reads as rewritten:

"§ 74-54.1. Permit fees.

(a) The fee schedule for the processing of permit applications and permit renewals applications, transfers, and modifications is as follows:

	0-25 acres	26+ acres
New Permit Applications	\$3,750.00	\$5,000.00
Permit Modifications	\$750.00	\$1,000.00
Permit Renewals	\$750.00	\$1,000.00
Permit Transfers	\$100.00	\$100.00

(a1) In addition to the fees set forth in subsection (a) of this section, permittees shall pay an annual operating fee of four hundred dollars (\$400.00) per permit per year as set forth in G.S. 74-55. The Department may charge a late fee of fifty dollars (\$50.00) per month per permit for every month or partial month that payment of the annual operating fee is delinquent.

...."

SECTION 17.(f) G.S. 74-55 reads as rewritten:

"§ 74-55. Reclamation report.

- (a) Within 30 days after completion or termination of mining on an area under permit or within 30 days after each anniversary of the issuance of the operating permit, whichever is earlier, or at such later date as may be provided by rules of the Department, and each year thereafter until reclamation is completed and approved, the By July 1 of each year, the operator shall file a report of activities completed during the preceding year on a form prescribed by the Department, which shall:includes all of the following.
 - (1) Identify the mine, the operator and the permit number; number.
 - (2) State acreage disturbed by mining in the last 12-month period; period.
 - (3) State and describe amount and type of reclamation carried out in the last 12-month period; period.
 - (4) Estimate acreage to be newly disturbed by mining in the next 12-month period; period.
 - (5) Provide such maps as may be specifically requested by the Department. Department.
 - (6) Include the annual operating fee pursuant to G.S. 74-54.1(a1).

(b) When filing the annual report, the permittee shall pay the annual operating fee for the permit to the Department until the permit has been terminated by the Department. The Department may assess and collect a monthly penalty for each annual report or annual operating fee not filed by July 31 of each year until the annual report and annual operating fee are filed with the Department. If the required annual report and operating fee, including any late payment penalties, are not filed by December 31 of each year, the Department shall give written notice to the operator and shall then initiate permit revocation proceedings in accordance with G.S. 74-58."

SECTION 17.(g) G.S. 74-58 reads as rewritten:

"§ 74-58. Suspension or revocation of permit.

- (a) Whenever the Department shall have reason to believe that a violation of (i) this Article, (ii) any rules adopted under this Article, or (iii) the terms and conditions of a permit, including the approved reclamation plan, has taken place, it shall serve written notice of the apparent violation upon the operator, specifying the facts constituting the apparent violation and informing the operator of the operator's right to an informal conference with the Department. The date for an informal conference shall be not less than 15 nor more than 30 days after the date of the notice, unless the Department and the operator mutually agree on another date. If the operator or the operator's representative does not appear at the informal conference, or if the Department following the informal conference finds that there has been a violation, the Department may suspend the permit until the violation is corrected or may revoke the permit where the violation appears to be willful.willful, or where the permittee has failed to pay the fee or late payment penalties required by G.S. 74-55(b).
- (b) The effective date of any suspension or revocation shall be 30 days following the date of the decision. The filing of a petition for a contested case under G.S. 74-61 shall stay the effective date until issuance of a final decision. If the Department finds at the time of its initial decision that any delay in correcting a violation would result in imminent peril to life or danger to property or to the environment, it shall promptly initiate a proceeding for injunctive relief under G.S. 74-64 hereof and Rule 65 of the Rules of Civil Procedure. The pendency of any appeal from a suspension or revocation of a permit shall have no effect upon an action for injunctive relief.
- (c) Any operator whose permit has been suspended or revoked shall be denied a new permit or a renewal of an existing reinstatement of the suspended permit to engage in mining until the operator gives evidence satisfactory to the Department of the operator's ability and intent to fully comply with the provisions of this Article and rules adopted under this Article, and the terms and conditions of the permit, including the approved reclamation plan, and that the operator has satisfactorily corrected all previous violations."

SECTION 17.(h) G.S. 74-60 reads as rewritten:

"§ 74-60. Notice.

Whenever in this Article written notice is required to be given by the Department, such notice shall be mailed by registered or certified mail to the permanent address of the operator set forth in his most recent application for an operating permit or for a modification or renewal of such permit. No other notice shall be required."

SECTION 17.(i) Notwithstanding G.S. 74.55(b), as enacted by subsection (f) of this section, the initial annual operating fee imposed by G.S. 74-54.1, as enacted by subsection (e) of this section, shall be due December 31, 2017.

SECTION 17.(j) This section becomes effective when it becomes law and applies to (i) valid permits for existing mining operations issued before the date this act becomes effective and (ii) any permit application for a mining operation, pending or submitted on or after that date. No later than December 1, 2017, the Department shall issue life-of-site permits or life-of-lease permits, as applicable, to replace valid permits for existing mining operations issued before the date this act becomes effective in compliance with the provisions of this act.

Until such time as life-of-site permits or life-of-lease permits, as applicable, have been issued to replace valid permits for existing mining operations issued before the date this act becomes effective; any valid permit and its terms and conditions shall remain in effect and govern the operations of the facility notwithstanding any termination date that may be included in such permit.

AUTHORIZE PRIVATE CONDEMNATION OF LAND FOR PIPELINES AND MAINS ORIGINATING OUTSIDE OF NORTH CAROLINA

SECTION 18.(a) G.S. 40A-3(a) reads as rewritten:

"§ 40A-3. By whom right may be exercised.

- (a) Private Condemnors. For the public use or benefit, the persons or organizations listed below shall have the power of eminent domain and may acquire by purchase or condemnation property for the stated purposes and other works which are authorized by law.
 - (1) Corporations, bodies politic or persons have the power of eminent domain for the construction of railroads, power generating facilities, substations, switching stations, microwave towers, roads, alleys, access railroads, turnpikes, street railroads, plank roads, tramroads, canals, telegraphs, telephones, electric power lines, electric lights, public water supplies, public sewerage systems, flumes, bridges, and pipelines or mains originating in North Carolina—for the transportation of petroleum products, coal, gas, limestone or minerals. Land condemned for any liquid pipelines shall:
 - a. Not be less than 50 feet nor more than 100 feet in width; and
 - b. Comply with the provisions of G.S. 62-190(b).

The width of land condemned for any natural gas pipelines shall not be more than 100 feet.

SECTION 18.(b) This section is effective when it becomes law and applies to takings occurring on or after that date.

SECTION 19.(a) As used in this section, "sand dune system" means "primary dunes" and "frontal dunes" as defined in 15A NCAC 07H .0305 and any secondary or other dunes.

SECTION 19.(b) Except as otherwise provided by law, a city or county that has accepted State funds for inlet dredging, beach renourishment, or dune construction or maintenance shall prohibit any alteration, excavation, or removal of sand in the sand dune system in areas subject to inundation by the one percent (1%) annual chance flood event unless the sand dune system provides adequate flood protection to withstand erosion during the one percent (1%) annual chance flood event. A sand dune system must have a minimum frontal dune reservoir (dune cross-section above 100-year stillwater level and seaward of dune peak) of 540 square feet to be considered substantial enough to withstand erosion during a one percent (1%) annual chance flood event.

SECTION 19.(c) The State shall not provide State funds for inlet dredging, beach renourishment, or dune construction or maintenance to any city or county unless the applicant for such funds provides a certification showing that it has complied with this section.

MARINE FISHERIES COMMISSION AMENDMENTS

SECTION 20.(a) G.S. 143B-289.52 reads as rewritten:

"§ 143B-289.52. Marine Fisheries Commission – powers and duties.

(e1) A supermajority of the Commission shall be six five members. A supermajority shall be necessary to override recommendations from the Division of Marine Fisheries regarding measures needed to end overfishing or to rebuild overfished stocks.for any action

taken under the powers and duties set forth in this section, including rule making and the regulation of fisheries under a fishery management plan.

...."

SECTION 20.(b) G.S. 143B-289.54 reads as rewritten:

"§ 143B-289.54. Marine Fisheries Commission – members; appointment; term; oath; ethical standards; removal; compensation; staff.

- (a) Members, Selection. The Marine Fisheries Commission shall consist of nine seven members appointed by the Governor as follows:
 - (1) One person actively engaged in, or recently retired from, commercial fishing as demonstrated by currently or recently deriving at least fifty percent (50%) of annual earned income from taking and selling fishery resources in coastal fishing waters of the State. The spouse of a commercial fisherman who meets the criteria of this subdivision may be appointed under this subdivision.
 - One person actively engaged in, or recently retired from, commercial fishing as demonstrated by currently or recently deriving at least fifty percent (50%) of annual earned income from taking and selling fishery resources in coastal fishing waters of the State. The spouse of a commercial fisherman who meets the criteria of this subdivision may be appointed under this subdivision.
 - (3) One person actively connected with, and experienced as, a licensed fish dealer or in seafood processing or distribution as demonstrated by deriving at least fifty percent (50%) of annual earned income from activities involving the buying, selling, processing, or distribution of seafood landed in this State. The spouse of a person qualified under this subdivision may be appointed provided that the spouse is actively involved in the qualifying business.
 - (4) One person actively engaged in recreational sports fishing in coastal waters in this State. An appointee under this subdivision may not derive more than ten percent (10%) of annual earned income from sports fishing activities.
 - One person actively engaged in recreational sports fishing in coastal waters in this State. An appointee under this subdivision may not derive more than ten percent (10%) of annual earned income from sports fishing activities.
 - (6) One person actively engaged in the sports fishing industry as demonstrated by deriving at least fifty percent (50%) of annual earned income from selling goods or services in this State. The spouse of a person qualified under this subdivision may be appointed provided that the spouse is actively involved in the qualifying business.
 - (7) One person having general knowledge of and experience related to subjects and persons regulated by the Commission.
 - (8) One person having general knowledge of and experience related to subjects and persons regulated by the Commission.
 - (9) One person who is a fisheries scientist having special training and expertise in marine and estuarine fisheries biology, ecology, population dynamics, water quality, habitat protection, or similar knowledge. A person appointed under this subdivision may not receive more than ten percent (10%) of annual earned income from either the commercial or sports fishing industries, including the processing and distribution of seafood.
- (b) Residential Qualifications. For purposes of providing regional representation on the Commission, the following three coastal regions of the State are designated: (i) Northeast Coastal Region comprised of Bertie, Camden, Chowan, Currituck, Dare, Gates, Halifax,

- Hertford, Martin, Northampton, Pasquotank, Perquimans, Tyrrell, and Washington Counties, (ii) Central Coastal Region comprised of Beaufort, Carteret, Craven, Hyde, Jones, and Pamlico Counties; and (iii) Southeast Coastal Region comprised of Bladen, Brunswick, Columbus, New Hanover, Onslow, and Pender Counties. Persons appointed under subdivisions (1), (2), (3), (4), and (8)and (4) of subsection (a) of this section shall be residents of one of the coastal regions of the State. The membership of the Commission shall include at least one person who is a resident of each of the three coastal regions of the State.
 - (c) Additional Considerations. In making appointments to the Commission, the Governor shall provide for appropriate representation of women and minorities on the Commission.
 - (d) Terms. The term of office of members of the Commission is three years. A member may be reappointed to any number of successive three-year terms. Upon the expiration of a three-year term, a member shall continue to serve until a successor is appointed and duly qualified as provided by G.S. 128-7. The term of members appointed under subdivisions (1), (4), and (7)(1) and (4) of subsection (a) of this section shall expire on 30 June of years evenly divisible by three. The term of members appointed under subdivisions (2), (5), and (8)(2) and (5) of subsection (a) of this section shall expire on 30 June of years that precede by one year those years that are evenly divisible by three. The term of members appointed under subdivisions (3), (6), and (9) of subsection (a) of this section shall expire on 30 June of years that follow by one year those years that are evenly divisible by three.

...."

SECTION 20.(c) G.S. 113-182.1(e1) reads as rewritten:

"(e1) If the Secretary determines that it is in the interest of the long-term viability of a fishery, the Secretary may authorize the Commission to develop expedited temporary management measures to supplement an existing Fishery Management Plan pursuant to this subsection. Management measures considered in a supplement shall be strictly limited to those management strategies contained in the original fishery management plan or subsequent amendments to the plan adopted by the Marine Fisheries Commission and shall not include management measures that either (i) were not originally developed in accordance with this section or (ii) result in severe curtailment of the usefulness or value of equipment as provided by G.S. 113-221(d). Development of temporary management measures pursuant to this subsection is exempt from subsections (c), (c1), and (e) of this section and the Priority List, Schedule, and guidance criteria established by the Marine Fisheries Commission under G.S. 143B-289.52. During the next review period for a Fishery Management Plan supplemented pursuant to this subsection, the Commission shall either incorporate the temporary management measures into the revised Fishery Management Plan or the temporary management measures shall expire on the date the revised Fishery Management Plan is adopted."

SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 21.(a) If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part declared to be unconstitutional or invalid.

SECTION 21.(b) Except as otherwise provided, this act is effective when it becomes law.