

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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SENATE BILL 553  
Agriculture/Environment/Natural Resources Committee Substitute Adopted 5/23/19  
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Proposed Conference Committee Substitute S553-PCCS45356-RIxr-1

Short Title: Regulatory Reform Act of 2019.

(Public)

Sponsors:

Referred to:

April 3, 2019

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE CITIZENS OF NORTH  
3 CAROLINA.

4 The General Assembly of North Carolina enacts:

5  
6 **PART I. STATE AND LOCAL GOVERNMENT REGULATION**

7  
8 **INCREASE LIMITS ON PUBLIC EMPLOYEES BENEFITTING FROM PUBLIC**  
9 **CONTRACTS**

10 SECTION 1.(a) G.S. 14-234 reads as rewritten:

11 "§ 14-234. Public officers or employees benefiting from public contracts; exceptions.

12 ...

13 (d1) Subdivision (a)(1) of this section does not apply to (i) any elected official or person  
14 appointed to fill an elective office of a village, town, or city having a population of no more than  
15 15,000 according to the most recent official federal census, (ii) any elected official or person  
16 appointed to fill an elective office of a county within which there is located no village, town, or  
17 city with a population of more than 15,000 according to the most recent official federal census,  
18 (iii) any elected official or person appointed to fill an elective office on a city board of education  
19 in a city having a population of no more than 15,000 according to the most recent official federal  
20 census, (iv) any elected official or person appointed to fill an elective office as a member of a  
21 county board of education in a county within which there is located no village, town or city with  
22 a population of more than 15,000 according to the most recent official federal census, (v) any  
23 physician, pharmacist, dentist, optometrist, veterinarian, or nurse appointed to a county social  
24 services board, local health board, or area mental health, developmental disabilities, and  
25 substance abuse board serving one or more counties within which there is located no village,  
26 town, or city with a population of more than 15,000 according to the most recent official federal  
27 census, and (vi) any member of the board of directors of a public hospital if all of the following  
28 apply:

- 29 (1) The undertaking or contract or series of undertakings or contracts between the  
30 village, town, city, county, county social services board, county or city board  
31 of education, local health board or area mental health, developmental



1 disabilities, and substance abuse board, or public hospital and one of its  
 2 officials is approved by specific resolution of the governing body adopted in  
 3 an open and public meeting, and recorded in its minutes and the amount does  
 4 not exceed twenty thousand dollars (\$20,000) for medically related services  
 5 and ~~forty thousand dollars (\$40,000)~~ sixty thousand dollars (\$60,000) for  
 6 other goods or services within a 12-month period.

7 (2) The official entering into the contract with the unit or agency does not  
 8 participate in any way or vote.

9 (3) The total annual amount of contracts with each official, shall be specifically  
 10 noted in the audited annual financial statement of the village, town, city, or  
 11 county.

12 (4) The governing board of any village, town, city, county, county social services  
 13 board, county or city board of education, local health board, area mental  
 14 health, developmental disabilities, and substance abuse board, or public  
 15 hospital which contracts with any of the officials of their governmental unit  
 16 shall post in a conspicuous place in its village, town, or city hall, or  
 17 courthouse, as the case may be, a list of all such officials with whom such  
 18 contracts have been made, briefly describing the subject matter of the  
 19 undertakings or contracts and showing their total amounts; this list shall cover  
 20 the preceding 12 months and shall be brought up-to-date at least quarterly.

21 ...."

22 **SECTION 1.(b)** This section is effective when it becomes law and applies to  
 23 contracts executed on or after that date.

24  
 25 **AMENDMENTS TO THE 2018 NORTH CAROLINA BUILDING CODE AND**  
 26 **PLUMBING CODE**

27 **SECTION 2.(a)** Definitions. – As used in this section, "Council" means the Building  
 28 Code Council, "Building Code" means the 2018 North Carolina Building Code as adopted by the  
 29 Council, and "Plumbing Code" means the 2018 North Carolina Plumbing Code as adopted by  
 30 the Council.

31 **SECTION 2.(b)** Section 2902.6 of the Building Code and Table 403.1 of the  
 32 Plumbing Code. – Until the effective date of the revised permanent rules that the Building Code  
 33 Council is required to adopt pursuant to subsection (d) of this section, the Council shall  
 34 implement the applicable requirements of Section 2902.6 of the Building Code and Table 403.1  
 35 of the Plumbing Code, as provided in subsection (c) of this section.

36 **SECTION 2.(c)** Implementation. – The Council shall (i) not require drinking  
 37 fountains for an occupant load of 30 or fewer, (ii) only require one water closet for business  
 38 occupancies with an occupant load of 30 or fewer, and (iii) not require a service sink for business  
 39 and mercantile occupancies with an occupant load of 30 or fewer.

40 **SECTION 2.(d)** Additional Rule-Making Authority. – The Council shall adopt rules  
 41 to amend Section 2902.6 of the Building Code and Table 403.1 of the Plumbing Code consistent  
 42 with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rules adopted by the  
 43 Council, pursuant to this section, shall be substantively identical to the provisions of subsection  
 44 (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A  
 45 of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become  
 46 effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been  
 47 received as provided by G.S. 150B-21.3(b2).

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

50  
 51 **FIRE CODE WASTE ACCUMULATION PROVISIONS**

1           **SECTION 3.(a)** Definitions. – As used in this act, "Council" means the Building  
2 Code Council, "Code" means the 2018 North Carolina Fire Prevention Code (NCFPC) as adopted  
3 by the Council, and "exit obstruction and waste accumulation provisions" means sections 304.1  
4 (Waste Accumulation Prohibited), 304.2 (Storage), 1031.2 (Reliability), and 1031.3  
5 (Obstructions) of the Code.

6           **SECTION 3.(b)** New Code Amendment. – Until the effective date of revised  
7 permanent rules the Council is required to adopt pursuant to subsection (d) of this section, the  
8 Council and local governments enforcing the Code shall follow the provisions of subsection (c)  
9 of this section with respect to exit obstruction and waste accumulation.

10           **SECTION 3.(c)** Implementation. – Notwithstanding any provision of the Code to  
11 the contrary, code enforcement authorities with jurisdiction over apartment occupancies shall  
12 permit doorstep refuse and recycling collection containers which stand upright on their own and  
13 do not leak liquids when standing upright in exit access corridors as follows:

- 14           (1) With respect to apartment occupancies, when all of the following conditions  
15 exist:
- 16           a. The maximum doorstep refuse and recycling collection container size  
17 does not exceed 15 gallons and the number of containers does not  
18 exceed one refuse and one recycling collection container for a total of  
19 two containers per dwelling unit.
  - 20           b. Waste in a doorstep refuse and recycling collection container is not  
21 placed in the exit access corridors for single periods exceeding five  
22 hours.
  - 23           c. Doorstep refuse and recycling collection containers do not occupy the  
24 exit access corridors for single periods exceeding 12 hours.
  - 25           d. Doorstep refuse and recycling collection containers do not reduce the  
26 means of egress width below that required under sections 1005 and  
27 1020.2 of the Code.
  - 28           e. Management staff of the apartment occupancy has written policies and  
29 procedures in place and enforce them to ensure compliance with this  
30 subdivision, and, upon request, provide a copy of those policies and  
31 procedures to the code enforcement authority having jurisdiction.
- 32           (2) The code enforcement authority having jurisdiction may approve alternative  
33 containers and storage arrangements that are demonstrated to provide an  
34 equivalent level of safety to that provided under subdivision (1) of this section.
- 35           (3) To provide a transition period for compliance with the requirements of this  
36 section, code enforcement authorities having jurisdiction shall allow  
37 apartment occupancies a phase-in period until December 31, 2020, to comply  
38 with this subsection.
- 39           (4) The use of doorstep refuse and recycling collection containers in apartment  
40 occupancies with exit access corridors or open-air corridors with balconies  
41 served by exterior exit stairs is revocable by the fire code enforcement official  
42 having jurisdiction for violations of sub-subdivision (c)(1)e. of this section.

43           **SECTION 3.(d)** Rule-Making Authority. – Notwithstanding G.S. 150B-19(4), the  
44 Council shall revise the exit obstruction and waste accumulation provisions of the NCFPC in a  
45 manner similar to the provisions of subsection (c) of this section.

46           **SECTION 3.(e)** Sunset. – Subsection (c) of this section expires on the date that  
47 permanent rules adopted pursuant to subsection (d) of this section become effective. The Council  
48 may adopt temporary rules to implement this act.

49           **SECTION 3.(f)** Effective Date. – This section becomes effective July 1, 2019.

50  
51 **STUDY ONLINE CONTINUING EDUCATION REQUIREMENTS**

1           **SECTION 4.(a)** Every occupational licensing board as defined in Chapter 93B of  
2 the General Statutes shall study and report on any available options offered for online continuing  
3 education if continuing education is a requirement for licensure under the occupational licensing  
4 board's applicable laws or regulations. The study and report shall include:

- 5           (1) A list and description of every option for continuing education made available  
6 to each licensee, including every traditional method, and every online method,  
7 if any are offered. If no online methods are offered, a detailed explanation as  
8 to why none are offered, which shall include any logistical, cost, legal, or other  
9 concerns.
- 10          (2) The approximate number of offerings made available for each method and the  
11 cost associated with each offering. The cost shall include a description of the  
12 fees charged to the licensee for the continuing education and the associated  
13 cost to the occupational licensing board for providing the continuing  
14 education offering.
- 15          (3) A description of how each method of continuing education offered is accessed  
16 by the licensee.

17           **SECTION 4.(b)** Each occupational licensing board required to study and report  
18 under subsection (a) of this section shall provide its report to the Joint Legislative Administrative  
19 Procedure Oversight Committee and the Program Evaluation Division no later than December 1,  
20 2019.

## 21 22 **EXEMPT ONSLOW AND ROCKINGHAM COUNTIES FROM VEHICLE EMISSIONS** 23 **TESTING**

24           **SECTION 5.(a)** G.S. 143-215.107A(c) reads as rewritten:

25           "(c) Counties Covered. – Motor vehicle emissions inspections shall be performed in the  
26 following counties: Alamance, Buncombe, Cabarrus, Cumberland, Davidson, Durham, Forsyth,  
27 Franklin, Gaston, Guilford, Iredell, Johnston, Lee, Lincoln, Mecklenburg, New Hanover,  
28 ~~Onslow, Randolph, Rockingham, Rowan, Union, and Wake.~~"

29           **SECTION 5.(b)** No later than December 31, 2019, the Department of Environmental  
30 Quality shall prepare and submit to the United States Environmental Protection Agency for  
31 approval by that agency a proposed North Carolina State Implementation Plan amendment based  
32 on the change to the motor vehicle emissions testing program provided in this section.

33           **SECTION 5.(c)** Subsection (a) of this section becomes effective on the later of the  
34 following dates and applies to motor vehicles inspected, or due to be inspected, on or after that  
35 effective date:

- 36           (1) January 1, 2020.
- 37           (2) The first day of a month that is 60 days after the Secretary of the Department  
38 of Environmental Quality certifies to the Revisor of Statutes that the United  
39 States Environmental Protection Agency has approved an amendment to the  
40 North Carolina State Implementation Plan submitted as required by Section  
41 6(b) of this act. The Secretary shall provide this notice along with the effective  
42 date of this act on its Web site and by written or electronic notice to emissions  
43 inspection mechanic license holders, emissions inspection station licensees,  
44 and self-inspector licensees in the county where motor vehicle emissions  
45 inspection requirements are removed by this act.

46           **SECTION 5.(d)** Except as otherwise provided, this section is effective when it  
47 becomes law.

## 48 49 **TEMPORARY EVENT VENUES**

50           **SECTION 6.(a)** Part 3 of Article 18 of Chapter 153A of the General Statutes is  
51 amended by adding a new section to read:

1 **"§ 153A-341.4 Temporary event venues authorized.**

2 A county may, by ordinance, establish a process to permit temporary event venues using the  
3 procedure prescribed in G.S. 160A-383.6."

4 **SECTION 6.(b)** Part 3 of Article 19 of Chapter 160A of the General Statutes is  
5 amended by adding a new section to read:

6 **"§ 160A-383.6. Temporary event venues authorized.**

7 (a) A city may, by ordinance, establish a process to permit temporary event venues as  
8 provided in this section. A temporary event venue shall be defined as an existing publicly or  
9 privately owned building or structure suitable for use as a site for public or private events relating  
10 to entertainment, education, marketing, meetings, sales, trade shows, and any other activities or  
11 occasions that the city may, by ordinance, authorize. A temporary event shall be one lasting no  
12 longer than 72 hours.

13 (b) A city may consider a temporary event venue as a permitted accessory use in any of  
14 its zoning districts. Enactment of a temporary event venue ordinance and issuance of a temporary  
15 event permit under this section shall not be considered a zoning map amendment under this  
16 Article.

17 (c) Only one temporary event venue shall be allowed on a lot or parcel of land. The  
18 temporary event venue permitted under this section shall not require a special use permit or be  
19 subjected to any other local zoning requirements beyond those imposed upon other authorized  
20 accessory use structures, except as otherwise provided in this section. Except as provided in  
21 subsection (h) of this section, for each temporary event venue issued a permit under this section,  
22 no more than 24 temporary events may be conducted in a calendar year.

23 (d) An ordinance authorizing temporary event venues shall set forth the following:

24 (1) The zoning districts within which a temporary event venue may lie.

25 (2) The process a person seeking a temporary event venue permit, or its renewal,  
26 must follow.

27 (3) The specific criteria to be considered by the city when determining whether  
28 to issue a temporary event venue permit. The criteria shall include the  
29 character of the district in which the permit is sought and the site's suitability  
30 for use as a temporary event venue.

31 (4) The temporary events, not inconsistent with subsection (a) of this section,  
32 authorized in the venue.

33 (5) The duration of the temporary event venue permit.

34 (6) Any capacity limitations of the temporary event venue.

35 (7) The fee structure for the fees authorized by this section.

36 (8) Any other relevant matters.

37 (e) Any person proposing to operate a temporary event venue shall first obtain a permit  
38 from the city. The issuance of a temporary event venue permit shall not be considered a  
39 quasi-judicial act. The city may charge a fee of up to one hundred dollars (\$100.00) for the initial  
40 permit and an annual renewal fee of up to fifty dollars (\$50.00). Before issuing or renewing a  
41 temporary event venue permit, a city shall conduct an inspection of the proposed temporary event  
42 venue to ensure that the health, safety, and welfare of the public will not be impaired by  
43 attendance at or participation in a temporary event. The inspection shall address the general  
44 structural stability of the temporary event venue, its fire safety, and whether it has sufficient toilet  
45 facilities taking into consideration its capacity.

46 (f) Subject to the provisions of this subsection, a city may require the permit applicant to  
47 take reasonable measures to address any safety or public health concerns raised by the inspection  
48 conducted under subsection (e) of this section. No permit shall be required under the North  
49 Carolina State Building Code or any local variant approved under G.S. 143-138(e) for any  
50 construction, installation, repair, replacement, or alteration of a temporary event venue either  
51 required by the city as a result of the inspection conducted under subsection (e) of this section or

1 undertaken by the permittee to otherwise improve the temporary event venue. A city may require  
2 use of temporary toilet facilities at temporary events. Nothing in this section shall be construed  
3 to exempt a temporary event venue from compliance with federal laws, rules, or regulations.

4 (g) The Building Code Council shall create an inspection checklist that may be used by  
5 counties and cities for inspections conducted under subsection (e) of this section. Nothing shall  
6 prohibit counties and cities from conducting inspections and issuing temporary event venue  
7 permits prior to promulgation by the Building Code Council of the checklist.

8 (h) Nothing shall preclude a permittee operating under a temporary event venue permit  
9 from seeking a rezoning of the parcel to a zoning district that would allow a permitted use of the  
10 venue for events of the type authorized by a temporary event permit. Any such rezoning  
11 application would be subject to the requirements of this Article. If a rezoning application is  
12 submitted in good faith, a city may authorize the temporary event venue to hold more than 24  
13 temporary events in one calendar year while the rezoning is pending. If the temporary event  
14 venue is rezoned, the temporary event venue permit shall become void and the venue shall  
15 operate under all rules, regulations, and requirements of law, including the North Carolina State  
16 Building Code, any local variant under G.S. 143-138(e), and city ordinances."

17 **SECTION 6.(c)** G.S. 143-138 reads as rewritten:

18 "**§ 143-138. North Carolina State Building Code.**

19 ...

20 (b21) Exclusion for Temporary Event Venues. – No permit shall be required under the  
21 North Carolina State Building Code or any local variant approved under subsection (e) of this  
22 section for any construction, installation, repair, replacement, or alteration of a temporary event  
23 venue issued a temporary event venue permit under G.S. 160A-383.6.

24 ...."

25 **SECTION 6.(d)** G.S. 160A-383.1 is amended by adding a new subsection to read:

26 "(b1) Exclusion for Temporary Event Venues. – No permit shall be required under the  
27 North Carolina State Building Code or any local variant approved under subsection (e) of this  
28 section for any construction, installation, repair, replacement, or alteration of a temporary event  
29 venue issued a temporary event venue permit under G.S. 160A-383.6."

30 **SECTION 6.(e)** This section becomes effective October 1, 2019.

## 31 NC PRE-K SCHOOL OPTIONS

32 **SECTION 7.(a)** The Division of Childhood Development and Early Education of  
33 the Department of Health and Human Services shall post the following information on its Web  
34 site:  
35

- 36 (1) The educational opportunities for kindergarten offered by local school  
37 administrative units.
- 38 (2) The educational opportunities for kindergarten offered by charter schools.
- 39 (3) Scholarships for enrollment in non-public schools provided pursuant to Part  
40 2A of Article 39 of Chapter 115C of the General Statutes, or any successor  
41 program.

42 This information shall be indexed or searchable by county, and the Division shall  
43 update the information on June 1 each year.

44 Facilities participating in the NC Pre-K program shall provide to all families the  
45 address of the Web site where the information can be found and a brief description of the  
46 information available. Upon request, a facility participating in the NC Pre-K program must  
47 furnish to a family a list of the following educational opportunities located in the same county as  
48 the NC Pre-K facility, or, if specified, any other county:

- 49 (1) The educational opportunities for kindergarten offered by local school  
50 administrative units.
- 51 (2) The educational opportunities for kindergarten offered by charter schools.

- 1 (3) Scholarships for enrollment in non-public schools provided pursuant to Part  
2 2A of Article 39 of Chapter 115C of the General Statutes, or any successor  
3 program.

4 **SECTION 7.(b)** This section becomes effective January 1, 2020.  
5

## 6 **PART II. AGRICULTURE, ENERGY, ENVIRONMENT, AND NATURAL** 7 **RESOURCES REGULATION**

### 8 9 **CLARIFY LANDFILL LIFE-OF-SITE FRANCHISE REQUIREMENTS**

10 **SECTION 8.** G.S. 130A-294(a4) reads as rewritten:

11 "(a4) In order to preserve long-term disposal capacity, a life-of-site permit issued for a  
12 sanitary landfill shall survive the expiration of a local government approval or franchise, and the  
13 local government shall allow the sanitary landfill to continue to operate until the term of the  
14 landfill's life-of-site permit expires provided that the owner or operator ~~has complied is in~~  
15 substantial compliance with the terms of the local government approval or franchise ~~agreement,~~  
16 ~~and remains in compliance with those terms after expiration of the approval or agreement until~~  
17 ~~the life of site permit has expired.~~ agreement. In order to preserve any economic benefits  
18 included in the franchise, the County may extend the franchise under the same terms and  
19 conditions for the term of the life-of-site permit. The extension of the franchise hereby shall not  
20 trigger the requirements for a new permit, a major permit modification, or a substantial  
21 amendment to the permit. This subsection only applies to valid and operative franchise  
22 agreements in effect on October 1, 2015."  
23

### 24 **REPURPOSE PRE-REGULATORY LANDFILL FUNDS**

25 **SECTION 9.** Section 13.2 of S.L. 2018-5, as amended by Section 4.2 of S.L.  
26 2018-97, reads as rewritten:

27 "**SECTION 13.2.** Notwithstanding G.S. 130A-310.11(b), up to two million dollars  
28 (\$2,000,000) of the funds credited to the Inactive Hazardous Sites Cleanup Fund under  
29 G.S. 105-187.63 for the assessment and remediation of pre-1983 landfills shall instead be used  
30 by the Department of Environmental Quality's Division of Waste Management to provide a  
31 matching grant to Charlotte Motor Speedway, LLC, (CMS) for the purpose of remediation  
32 activities at the Charlotte Motor Speedway in Cabarrus County. The Division shall provide one  
33 dollar (\$1.00) for every ~~two one~~ non-State ~~dollars (\$2.00) dollar (\$1.00)~~ provided in kind or  
34 otherwise, up to a maximum of two million dollars (\$2,000,000) for the matching grant described  
35 in this section. CMS may allocate all or a portion of the grant provided by this section to an entity  
36 that controls CMS or an entity controlled by CMS. Entities receiving such an allocation shall be  
37 considered a subgrantee as defined in G.S. 143C-6-23."  
38

### 39 **STUDY EXPRESS PERMITTING EXPANSION**

40 **SECTION 10.** The Department of Environmental Quality shall study and report on  
41 additional positions and funding needed as well as any changes in State or federal laws and  
42 regulations necessary to expand the Department's express permitting programs to include  
43 additional types of permits typically required for job creating and real estate development or  
44 redevelopment activities. Additional permits considered in the study shall include, at a minimum,  
45 permits for facilities not discharging to the surface waters of the State under Article 21 of Chapter  
46 143 of the General Statutes and permits to apply petroleum-contaminated soil to land authorized  
47 under G.S. 143-215.1. The Department shall provide its report and recommendations to the  
48 Environmental Review Commission, the Joint Legislative Oversight Committee on Agriculture  
49 and Natural and Economic Resources, and the Fiscal Research Division no later than March 1,  
50 2020.  
51

**EXTEND EMERGENCY GENERAL PERMIT DEADLINES**

**SECTION 11.** CAMA Emergency General Permit Extension. – Notwithstanding the time lines set forth in 15A NCAC 07H .2502 or other applicable law to the contrary, Coastal Area Management Act Emergency General Permits authorized in response to Hurricanes Florence and Michael and activated by the Secretary of the Department of Environmental Quality in a September 20, 2018, statement, as amended on October 12, 2018, shall be subject to the following schedule:

- (1) All emergency general permits must be issued by October 12, 2019.
- (2) All work authorized by the emergency general permits must be completed by October 12, 2020.

**WASTEWATER RESERVE PRIORITY**

**SECTION 12.(a)** G.S. 159G-23 reads as rewritten:

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

The considerations for priority in this section apply to a loan or grant from the Wastewater Reserve or the Drinking Water Reserve. The Division of Water Infrastructure must consider the following items when evaluating applications:

- ...
- (2) Effect on impaired waters. – A project that improves designated impaired waters of the State, with greater priority given to projects that improve designated impaired waters of the State that serve as a public water supply for a large public water system. For purposes of this subdivision, a large public water system is one serving more than 175,000 service connections.
- ...
- (11) State water supply plan. Improve regional coordination. – A project that addresses a potential conflict between local plans or implements a measure in which local water supply plans could be better eordinated, as identified in the State water supply plan pursuant to G.S. 143-355(m).coordinated.
- ...
- (14) Disproportionate burden to protect water supply of higher-wealth neighboring local government unit. – Wastewater system improvements made by a local government unit in order to protect or preserve the water supply of a neighboring local government unit that has a lower poverty rate, lower utility bills, higher population growth, higher median household incomes, and lower unemployment."

**SECTION 12.(b)** This section becomes effective July 1, 2019, and applies to applications for loans or grants from the Wastewater Reserve or the Drinking Water Reserve received by the Division of Water Infrastructure on or after that date.

**AMEND SEPTIC TANK SITE SUITABILITY DETERMINATION PROCESS**

**SECTION 13.** G.S. 130A-335 is amended by adding a new subsection to read:

**"(j)** Notwithstanding any other provision of law, a local health department may determine site suitability for a ground absorption sewage treatment and disposal system under rules adopted by the Commission or pursuant to G.S. 130A-336.1 where all of the following are indicated:

- (1) The system can be installed so that the effluent will be nonpathogenic, noninfectious, nontoxic, and nonhazardous.
- (2) The effluent will not contaminate groundwater or surface water.
- (3) The effluent will not be exposed on the ground surface or be discharged to surface waters where it could come into contact with people, animals, or vectors."



1  
2 **WATER/WASTEWATER PUBLIC ENTERPRISE REFORM**

3 **SECTION 14.(a)** G.S. 159G-20 reads as rewritten:

4 **"§ 159G-20. Definitions.**

5 The following definitions apply in this Chapter:

6 ...

7 (4a) Distressed unit. – A public water system or wastewater system operated by a  
8 local government unit exhibiting signs of failure to identify or address those  
9 financial or operating needs necessary to enable that system to become or to  
10 remain a local government unit generating sufficient revenues to adequately  
11 fund management and operations, personnel, appropriate levels of  
12 maintenance, and reinvestment that facilitate the provision of reliable water  
13 or wastewater services.

14 ...

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

- 16 a. A city as defined in G.S. 160A-1.  
17 b. A county.  
18 c. A consolidated city-county as defined in G.S. 160B-2.  
19 d. ~~A county water and sewer district created pursuant to Article 6 of~~  
20 ~~Chapter 162A of the General Statutes.~~Any of the following entities  
21 created pursuant to Chapter 162A of the General Statutes:  
22 1. A water and sewer authority created pursuant to Article 1.  
23 2. A metropolitan water district created pursuant to Article 4.  
24 3. A metropolitan sewerage district created pursuant to Article 5.  
25 4. A metropolitan water and sewerage district created pursuant to  
26 Article 5A.  
27 5. A county water and sewer district created pursuant to Article  
28 6.  
29 e. ~~A metropolitan sewerage district or a metropolitan water district~~  
30 ~~created pursuant to Article 4 of Chapter 162A of the General Statutes.~~  
31 f. ~~A water and sewer authority created under Article 1 of Chapter 162A~~  
32 ~~of the General Statutes.~~  
33 g. A sanitary district created pursuant to Part 2 of Article 2 of Chapter  
34 130A of the General Statutes.  
35 h. A joint agency created pursuant to Part 1 or Part 5 of Article 20 of  
36 Chapter 160A of the General Statutes.  
37 i. A joint agency that was created by agreement between two cities and  
38 towns to operate an airport pursuant to G.S. 63-56 and that provided  
39 drinking water and wastewater services off the airport premises before  
40 1 January 1995.

41 ...

42 (22a) Viable Utility Reserve. – The Viable Utility Reserve established in  
43 G.S. 159G-22 as an account in the Water Infrastructure Fund.

44 ...."

45 **SECTION 14.(b)** G.S. 159G-22 is amended by adding two new subsections to read:

46 "(h) Viable Utility Reserve. – The Viable Utility Reserve is established as an account  
47 within the Water Infrastructure Fund. The account is established to receive appropriated State  
48 funds to be used for grants to local government units for those purposes authorized under this  
49 Article. Revenue credited to the Viable Utility Reserve is neither received from the federal  
50 government nor provided as a match for federal funds.

1       (i) Viability Utility Accounts. – The Department is directed to establish accounts within  
2 the Viability Utility Reserve to administer grants for public water systems or wastewater systems  
3 owned by local government units."

4               **SECTION 14.(c)** G.S. 159G-30 reads as rewritten:

5 **"§ 159G-30. Department's responsibility.**

6       The Department, through the ~~Division of Water Infrastructure, Division,~~ administers loans  
7 the following:

8               (1) Loans and grants made from the CWSRF, the DWSRF, the Wastewater  
9 Reserve, and the Drinking Water Reserve and shall administer the Reserve.

10              (2) The award of funds by the State Water Infrastructure Authority from the  
11 Community Development Block Grant program to local government units for  
12 infrastructure projects.

13              (3) Grants made from the Viability Utility Reserve."

14               **SECTION 14.(d)** G.S. 159G-31 is amended by adding a new subsection to read:

15       "(d) A local government unit is eligible to apply for a grant from the Viability Utility  
16 Reserve."

17               **SECTION 14.(e)** G.S. 159G-32 is amended by adding a new subsection to read:

18       "(d) Viability Utility Reserve. – The Department is authorized to make grants from the  
19 Viability Utility Reserve to do any of the following:

20              (1) Provide physical interconnection and extension of public water or wastewater  
21 infrastructure to provide regional service.

22              (2) Rehabilitate existing public water or wastewater infrastructure.

23              (3) Decentralize an existing public water system or wastewater system into  
24 smaller viable parts.

25              (4) Fund a study of any one or more of the following:

26                  a. Rates.

27                  b. Asset inventory and assessment.

28                  c. Merger and regionalization options.

29              (5) Fund other options deemed feasible which result in local government units  
30 generating sufficient revenues to adequately fund management and  
31 operations, personnel, appropriate levels of maintenance, and reinvestment  
32 that facilitate the provision of reliable water or wastewater services."

33               **SECTION 14.(f)** Article 2 of Chapter 159G of the General Statutes is amended by  
34 adding a new section to read:

35 **"§ 159G-34.5. Grant types available from Viability Utility Reserve.**

36       (a) The Department is authorized to make the following types of grants from the Viability  
37 Utility Reserve:

38              (1) Asset assessment and rate study grant. – An asset inventory and assessment  
39 grant is available to inventory the existing public water or wastewater system,  
40 or both, document the condition of the inventoried infrastructure, and conduct  
41 a rate study to determine a rate structure sufficient to prevent the local  
42 government unit from becoming a distressed unit.

43              (2) Merger/regionalization feasibility grant. – A merger/regionalization grant is  
44 available to determine the feasibility of consolidating the management of  
45 multiple water or wastewater systems into a single operation or to provide  
46 regional treatment or water supply and the best way of carrying out the  
47 consolidation or regionalization. The Department shall not make a grant under  
48 this subdivision for a merger or regionalization proposal that would result in  
49 a new surface water transfer regulated under G.S. 143-215.22L.

50              (3) Project grant. – A project grant is available for a portion of the costs of a public  
51 water system or wastewater system project as defined in G.S. 159G-32(d).

1       (b) A grant awarded from the Viable Utility Reserve may be awarded to a regional  
2 council of government created under Part 2 of Article 20 of Chapter 160A of the General Statutes  
3 or to a regional planning commission created under Article 19 of Chapter 153A of the General  
4 Statutes, if the Department and the Local Government Commission determine it is in the best  
5 interest of the local government unit.

6       (c) Each type of grant must be administered through a separate account within the Viable  
7 Utility Reserve."

8               **SECTION 14.(g)** G.S. 159G-35 reads as rewritten:

9       **"§ 159G-35. Criteria for loans and grants.**

10       (a) CWSRF and DWSRF. – Federal law determines the criteria for awarding a loan or  
11 grant from the CWSRF or the DWSRF. An award of a loan or grant from one of these accounts  
12 must meet the criteria set under federal law. The Department is directed to establish through  
13 negotiation with the United States Environmental Protection Agency the criteria for evaluating  
14 applications for loans and grants from the CWSRF and the DWSRF and the priority assigned to  
15 the criteria. The Department must incorporate the negotiated criteria and priorities in the  
16 Capitalization Grant Operating Agreement between the Department and the United States  
17 Environmental Protection Agency. The criteria and priorities incorporated in the Agreement  
18 apply to a loan or grant from the CWSRF or the DWSRF. The priority considerations in  
19 G.S. 159G-23 do not apply to a loan or grant from the CWSRF or the DWSRF.

20       (b) Certain Reserves. – The priority considerations in G.S. 159G-23 apply to a loan or  
21 grant from the Wastewater Reserve or the Drinking Water Reserve. The Department may  
22 establish by rule other criteria that apply to a loan or grant from the Wastewater Reserve or the  
23 Drinking Water Reserve.

24       (c) Viable Utility Reserve. – The Local Government Commission and the Authority shall  
25 jointly develop evaluation criteria for grants from the Viable Utility Reserve. These evaluation  
26 criteria shall be used to review applications and award grants as provided in G.S. 159G-39."

27               **SECTION 14.(h)** G.S. 159G-36 reads as rewritten:

28       **"§ 159G-36. Limits on loans and grants.**

29       (a) CWSRF and DWSRF. – Federal law governs loans and grants from the CWSRF and  
30 the DWSRF. An award of a loan or grant from one of these accounts must be consistent with  
31 federal law.

32       (b) Certain Reserve Cost Limit. – The amount of a loan or grant from the Wastewater  
33 Reserve or the Drinking Water Reserve may not exceed the construction costs of a project. A  
34 loan or grant from one of these Reserves is available only to the extent that other funding sources  
35 are not reasonably available to the applicant.

36       **(b1) Viable Utility Reserve Cost Limit.** – The amount of a grant from the Viable Utility  
37 Reserve shall not exceed the construction costs of a project. A grant from this Reserve is available  
38 only to the extent that other funding sources are not reasonably available to the applicant.

39       (c) Certain Reserve Recipient Limit. – The following limits apply to the loan or grant  
40 types made from the Wastewater Reserve or the Drinking Water Reserve to the same local  
41 government unit or nonprofit water corporation:

- 42               (1) The amount of loans awarded for a fiscal year may not exceed three million  
43 dollars (\$3,000,000).
- 44               (2) The amount of loans awarded for three consecutive fiscal years for targeted  
45 interest rate projects may not exceed three million dollars (\$3,000,000).
- 46               (3) The amount of project grants awarded for three consecutive fiscal years may  
47 not exceed three million dollars (\$3,000,000).
- 48               (4) The amount of merger/regionalization feasibility grants awarded for three  
49 consecutive fiscal years may not exceed fifty thousand dollars (\$50,000).

1 (5) The amount of asset inventory and assessment grants awarded for three  
2 consecutive fiscal years may not exceed one hundred fifty thousand dollars  
3 (\$150,000).

4 (d) Viable Utility Reserve Recipient Limit. – Grants under the Viable Utility Reserve  
5 shall not exceed fifteen million dollars (\$15,000,000) to any single local government unit. Where  
6 two or more local government units are merging into a single utility, the total grant awarded shall  
7 not exceed thirty million dollars (\$30,000,000)."

8 **SECTION 14.(i)** G.S. 159G-37 reads as rewritten:

9 "**§ 159G-37. Application to CWSRF, Wastewater Reserve, DWSRF, and Drinking Water**  
10 **Reserve, Reserve, and Viable Utility Reserve.**

11 (a) Application. – An application for a loan or grant from the CWSRF, the Wastewater  
12 Reserve, the DWSRF, or the Drinking Water ~~Reserve-Reserve~~, or a grant from the Viable Utility  
13 ~~Reserve~~, must be filed with the ~~Division of Water Infrastructure of the Department- Division~~. An  
14 application must be submitted on a form prescribed by the Division and must contain the  
15 information required by the Division. An applicant must submit to the Division any additional  
16 information requested by the Division to enable the Division to make a determination on the  
17 application. An application that does not contain information required on the application or  
18 requested by the Division is incomplete and is not eligible for consideration. An applicant may  
19 submit an application in as many categories as it is eligible for consideration under this Article.

20 (b) Certification. – ~~The Division of Water Infrastructure~~ shall require all local  
21 governments applying for loans or grants for water or wastewater purposes to certify that no  
22 funds received from water or wastewater utility operations have been transferred to the local  
23 government's general fund for the purpose of supplementing the resources of the general fund.  
24 The prohibition in this section shall not be interpreted to include payments made to the local  
25 government to reimburse the general fund for expenses paid from that fund that are reasonably  
26 allocable to the regular and ongoing operations of the utility, including, but not limited to, rent  
27 and shared facility costs, engineering and design work, plan review, and shared personnel costs."

28 **SECTION 14.(j)** G.S. 159G-39 is amended by adding a new subsection to read:

29 "(e) Viable Utility Reserve Terms. – The Department shall not award a grant from the  
30 Viable Utility Reserve Fund unless the Local Government Commission approves the award of  
31 the grant and the terms of the grant. The Department and the Local Government Commission  
32 may, in their discretion, impose specific performance measures or conditions on any grant  
33 awarded from the Viable Utility Reserve."

34 **SECTION 14.(k)** Article 2 of Chapter 159G of the General Statutes is amended by  
35 adding a new section to read:

36 "**§ 159G-45. Assessment of local government units; assistance.**

37 (a) The Authority and the Local Government Commission shall develop criteria to  
38 determine how local government units should be assessed and reviewed in accordance with this  
39 section, and these criteria shall address at least all of the following:

- 40 (1) Whether the public water or wastewater system serves less than 10,000  
41 customers.
- 42 (2) Whether the public water or wastewater system has an established,  
43 operational, and adequately funded program for its repair, maintenance, and  
44 management.
- 45 (3) Whether the annual debt service is disproportionate to the public water or  
46 wastewater system's annual revenue.
- 47 (4) Whether the local government unit has appropriated funds from its utility or  
48 public service enterprise fund in accordance with G.S. 159-13(b)(14) in two  
49 or more of the preceding five fiscal years without maintaining a reserve fund  
50 sufficient to provide for operating expenses, capital outlay, and debt service.

1           (5)    Whether the local government unit has appropriated funds to supplement the  
2                   operating expenses, capital outlay, or debt service on outstanding utility or  
3                   enterprise bonds or notes in excess of the user fees collected in two or more  
4                   of the preceding five fiscal years.

5           (b)    Utilizing the assessment and review process, the Authority and Local Government  
6    Commission shall identify distressed units. Each distressed unit identified under this subsection  
7    shall do all of the following:

8           (1)    Conduct an asset assessment and rate study, as directed and approved by the  
9                   Authority and the Local Government Commission.

10          (2)    Participate in a training and educational program approved by the Authority  
11                   and the Local Government Commission for that distressed unit. Attendance  
12                   shall be mandatory for any governing board members and staff whose  
13                   participation is required by the Authority and Local Government Commission.  
14                   The scope of training and education, and its method of delivery, shall be at the  
15                   discretion of the Authority and Local Government Commission.

16          (3)    Develop an action plan, taking into consideration all of the following:

17           a.    A short-term and a long-term plan for infrastructure repair,  
18                   maintenance, and management.

19           b.    Continuing education of the governing board and system operating  
20                   staff.

21           c.    Long-term financial management to ensure the public water system or  
22                   wastewater system will generate sufficient revenue to adequately fund  
23                   management and operations, personnel, appropriate levels of  
24                   maintenance, and reinvestment that facilitate the provision of reliable  
25                   water or wastewater services.

26           d.    Any other matters identified by the Authority or the Local Government  
27                   Commission.

28          (c)    Once an identified distressed unit has completed all of the requirements of subsection  
29    (b) of this section, that unit shall no longer be identified as a distressed unit for the remainder of  
30    that assessment and review cycle.

31          (d)    The Authority and the Local Government Commission shall establish the frequency  
32    of the cycle for assessment and review of local government units under this section, which shall  
33    be no less than every two years."

34           **SECTION 14.(I)** Chapter 162A of the General Statutes is amended by adding a new  
35 Article to read:

36                                   "Article 10.

37                                   "Dissolution and Merger of Units.

38    **§ 162A-850. "Unit" defined.**

39    For purposes of this Article, the term "unit" means any of the following entities created  
40    pursuant to this Chapter:

41           (1)    A water and sewer authority created pursuant to Article 1.

42           (2)    A metropolitan water district created pursuant to Article 4.

43           (3)    A metropolitan sewerage district created pursuant to Article 5.

44           (4)    A metropolitan water and sewerage district created pursuant to Article 5A.

45           (5)    A county water and sewer district created pursuant to Article 6.

46    **§ 162A-855. Information needed to merge or dissolve.**

47    (a)    Prior to any action by the Environmental Management Commission under this  
48    Article, for any unit to merge or dissolve, all of the following information must be supplied to  
49    the Environmental Management Commission:

50           (1)    The name of the unit or units to be merged or dissolved.

- 1           (2)    The names of the district board members of the unit or units to be merged or  
2           dissolved.
- 3           (3)    The proposed date of the merger or dissolution.
- 4           (4)    A map or description of the jurisdiction of the unit or units to be merged or  
5           dissolved.
- 6           (5)    The name of the entity with whom the unit or units will be merged, if  
7           applicable.
- 8           (6)    The names of the governing board members or district board members of the  
9           entity with which the unit is proposed to be merged, if applicable.
- 10          (7)    A map or description of the jurisdiction of the entity with which the unit is  
11          proposed to be merged.
- 12          (8)    Resolutions adopted by each district board or governing board requesting the  
13          merger or dissolution.
- 14          (9)    A request from each chair of a district board requesting a merger or dissolution  
15          that a representative of the Environmental Management Commission hold a  
16          public hearing in that district to discuss the proposed merger or dissolution  
17          and to receive public comment. The date, time, and place of the public hearing  
18          shall be mutually agreed to by the chair of the Environmental Management  
19          Commission and the chair of each requesting district board.
- 20          (10)   A copy of the most recent audit performed in accordance with G.S. 159-34 for  
21          the unit to be merged or dissolved.
- 22          (11)   A copy of any permits issued by the Department of Environmental Quality to  
23          the unit or units to be merged or dissolved.
- 24          (12)   A copy of any grant awarded under Article 2 of this Chapter involving the unit  
25          or units to be merged or dissolved and any conditions thereof, if applicable.
- 26          (13)   Any other information deemed necessary by the Department of Environmental  
27          Quality, the Local Government Commission, or the Environmental  
28          Management Commission.

29        (b)    Upon receipt of a request to dissolve or merge, the Environmental Management  
30        Commission shall provide a copy of all information submitted in accordance with this section to  
31        the Department of Environmental Quality and the Local Government Commission.

32        (c)    Upon confirmation of the time and place of the public hearing, each district board of  
33        an affected unit and any other governing board affected shall do all of the following:

- 34           (1)    Cause notice of the public hearing to be posted, at least 30 days prior to the  
35           hearing, at the courthouse in any county within which the affected unit lies.
- 36           (2)    Publish the notice at least once a week for four successive weeks in a  
37           newspaper having general circulation in the affected unit, the first publication  
38           to be at least 30 days prior to the public hearing.
- 39           (3)    Publish notice in any other manner required by the Environmental  
40           Management Commission.

41        **"§ 162A-860. Merger of units.**

42        (a)    Any unit may merge with any other unit, any county, any city, any consolidated  
43        city-county, any sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the  
44        General Statutes, any joint agency created pursuant to Part 1 or Part 5 of Article 20 of Chapter  
45        160A of the General Statutes, or any joint agency that was created by agreement between two  
46        cities and towns to operate an airport pursuant to G.S. 63-56 and that provided drinking water  
47        and wastewater services off the airport premises before January 1, 1995, if the merger is a  
48        condition of receiving a grant from the Viable Utility Reserve as provided in Article 2 of Chapter  
49        159G of the General Statutes. The Environmental Management Commission shall adopt a  
50        resolution transferring the assets, liabilities, and other obligations to the entity with which the  
51        unit is being merged and dissolving the unit as provided for in this Article.

1       **(b)** Any unit may merge with any other unit, any county, any city, any consolidated  
2 city-county, any sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the  
3 General Statutes, any joint agency created pursuant to Part 1 or Part 5 of Article 20 of Chapter  
4 160A of the General Statutes, or any joint agency that was created by agreement between two  
5 cities and towns to operate an airport pursuant to G.S. 63-56 and that provided drinking water  
6 and wastewater services off the airport premises before January 1, 1995, on approval by the  
7 Environmental Management Commission, upon consultation with the Department of  
8 Environmental Quality and the Local Government Commission. The Environmental  
9 Management Commission may adopt a resolution transferring the assets, liabilities, and other  
10 obligations to the entity with which the unit is being merged and dissolving the unit as provided  
11 for in this Article, if the Environmental Management Commission deems the merger in the best  
12 interest of the people of the State.

13       **(c)** The Environmental Management Commission shall adopt a resolution dissolving a  
14 unit and transferring the assets, liabilities, and other obligations of the unit to another unit when  
15 the procedures set forth in G.S. 162A-855 have been completed and all of the following apply:

16           **(1)** Both units are created pursuant to Article 5 of this Chapter.

17           **(2)** Both units are located in the same county.

18           **(3)** The jurisdiction of the units is contiguous.

19           **(4)** The unit to be merged and dissolved does not directly provide sewerage  
20 services to any customers.

21           **(5)** The unit to be merged and dissolved leases its assets to the unit with which it  
22 is proposed to be merged.

23           **(6)** The unit to be merged and dissolved has no outstanding debts.

24 **"§ 162A-865. Dissolution of units.**

25       **(a)** Any unit may be dissolved if the dissolution is a condition of a grant from the Viable  
26 Utility Reserve as provided in Article 2 of Chapter 159G of the General Statutes. The  
27 Environmental Management Commission shall adopt a resolution transferring the assets,  
28 liabilities, and other obligations as provided for in the grant conditions imposed under Article 2  
29 of Chapter 159G of the General Statutes.

30       **(b)** Any unit may be dissolved in order to merge that unit with any other unit, any county,  
31 any city, any consolidated city-county, any sanitary district created pursuant to Part 2 of Article  
32 2 of Chapter 130A of the General Statutes, any joint agency created pursuant to Part 1 or Part 5  
33 of Article 20 of Chapter 160A of the General Statutes, or any joint agency that was created by  
34 agreement between two cities and towns to operate an airport pursuant to G.S. 63-56 and that  
35 provided drinking water and wastewater services off the airport premises before January 1, 1995,  
36 and establish a new entity created under the General Statutes, on approval by the Environmental  
37 Management Commission, upon consultation with the Department of Environmental Quality and  
38 the Local Government Commission. The Environmental Management Commission may adopt a  
39 resolution transferring the assets, liabilities, and other obligations to the new entity and dissolving  
40 the unit as provided for in this Article, if the Environmental Management Commission deems the  
41 merger in the best interest of the people of the State.

42 **"§ 162A-870. Effective date of merger or dissolution.**

43       Upon the adoption of a resolution of merger or dissolution by the Environmental  
44 Management Commission as provided in this Article, the effective date for merger and  
45 dissolution shall be fixed as of June 30 following the adoption of the resolution or the second  
46 June 30 following the adoption of the resolution.

47 **"§ 162A-875. Effect of merger or dissolution.**

48       **(a)** Upon adoption of the resolution of merger or dissolution by the Environmental  
49 Management Commission, all of the following shall apply on the effective date set forth in the  
50 resolution:

- 1           (1) All property, real, personal, and mixed, including accounts receivable,  
2 belonging to the dissolving unit shall be transferred, disposed of, or otherwise  
3 accounted for as provided in the resolution of merger or dissolution.
- 4           (2) All judgments, liens, rights of liens, and causes of action of any nature in favor  
5 of the dissolving unit shall vest in and remain and inure to the benefit of the  
6 merged district.
- 7           (3) All taxes, assessments, sewer charges, and any other debts, charges, or fees  
8 owing to the dissolving unit shall be owed to and collected as provided in the  
9 resolution of merger or dissolution.
- 10          (4) All actions, suits, and proceedings pending against, or having been instituted  
11 by, the dissolving unit shall not be abated by merger, but all such actions,  
12 suits, and proceedings shall be continued and completed in the same manner  
13 as if merger had not occurred, and the merged entity shall be a party to all  
14 such actions, suits, and proceedings in the place and stead of the dissolving  
15 unit and shall pay or cause to be paid any judgments rendered against the  
16 dissolving unit in any such actions, suits, or proceedings. No new process is  
17 required to be served in any such action, suit, or proceeding.
- 18          (5) All obligations of the dissolving unit, including outstanding indebtedness,  
19 shall be assumed as provided in the resolution of merger or dissolution, and  
20 all such obligations and outstanding indebtedness shall constitute obligations  
21 and indebtedness as provided in the resolution of merger or dissolution.
- 22          (6) All ordinances, rules, regulations, and policies of the dissolving unit shall  
23 continue in full force and effect until repealed or amended by the governing  
24 body of the merged entity.
- 25          (7) The dissolving unit shall be abolished and shall no longer be constituted a  
26 public body or a body politic and corporate, except for purposes of carrying  
27 into effect the provisions and intent of this section.
- 28          (8) Governance of the district shall be as specified in the resolution of merger or  
29 dissolution, which may be amended by the Environmental Management  
30 Commission, as needed.

31          (b) All governing boards and district boards are authorized to take the actions and execute  
32 the documents necessary to effectuate the provisions and intent of this section."

33           **SECTION 14.(m)** Article 20 of Chapter 160A of the General Statutes is amended  
34 by adding a new Part to read:

35                           "Part 5. Water and Wastewater Systems.

36           "§ 160A-481.1. Definitions.

37           The words defined in this section shall have the meanings indicated when used in this Part:

- 38           (1) Local government unit. – Defined in G.S. 159G-20.  
39           (2) Undertaking. – Defined in G.S. 160A-460.  
40           (3) Unit of local government. – Defined in G.S. 160A-460.

41           "§ 160A-481.2. Interlocal cooperation authorized.

42           Interlocal cooperation, as provided in Part 1 of this Article, is authorized between any local  
43 government unit and any other unit of local government in this State for any purpose. When two  
44 or more local government units agree to contract for one or more undertakings under this Part,  
45 the provisions of Part 1 of this Article apply."

46           **SECTION 14.(n)** The Department of Environmental Quality shall study the statutes  
47 and rules governing subbasin transfers and make recommendations as to whether the statutes and  
48 rules should be amended. The study shall specifically examine whether transfers of water  
49 between subbasins within the same major river basin should continue to be required to comply  
50 with all of the same requirements under G.S. 143-215.22L as transfers of water between major  
51 river basins. In conducting this study, the Department shall consider whether the costs of



1 complying with specific requirements, including financial costs and time, are justified by the  
2 benefits of the requirements, including the production of useful information and public notice  
3 and involvement. No later than October 1, 2019, the Department of Environmental Quality shall  
4 report its findings and recommendations to the Environmental Review Commission.

5 **SECTION 14.(o)** The Department of State Treasurer shall study and make  
6 recommendations as to the feasibility of authorizing historical charters for units of local  
7 government that have become, or are on the brink of becoming, defunct. The study shall  
8 specifically examine whether these historical charters are needed, the impact of these charters on  
9 the bond rating of the State and its political subdivisions, and the consequences of these historical  
10 charters. No later than March 1, 2020, the Department of State Treasurer shall report its findings  
11 and recommendations to the General Assembly.

12 **SECTION 14.(p)** Subsections (a) through (m) of this section become effective  
13 October 1, 2019. The remainder of this section is effective when it becomes law.

### 14 **PART III. MISCELLANEOUS REGULATORY REFORM PROVISIONS**

#### 15 **ARCHITECTURAL LICENSE EXCEPTION FOR SMALL PROJECTS**

16 **SECTION 15.** G.S. 83A-13 reads as rewritten:

17 **"§ 83A-13. Exemptions.**

18 ...

19 (c) Nothing in this Chapter shall be construed to require an architectural license for the  
20 preparation, sale, or furnishing of plans, specifications and related data, or for the supervision of  
21 construction pursuant thereto, where the building, buildings, or project involved is in one of the  
22 following categories:

23 ...

24 (3) An institutional or commercial building if it does not have a total value  
25 exceeding ~~ninety thousand dollars (\$90,000);~~ two hundred thousand dollars  
26 (\$200,000);

27 (4) An institutional or commercial building if the total building area does not  
28 exceed ~~2,500~~ 3,000 square feet in gross floor area;

29 ...

30 (c1) Notwithstanding subdivisions (c)(3) and (4) of this section, a commercial building  
31 project with a total value of less than ~~ninety thousand dollars (\$90,000)~~ two hundred thousand  
32 dollars (\$200,000) and a total project area of less than ~~2,500~~ 3,000 square feet shall be exempt  
33 from the requirement for a professional architectural seal.

34 ...."

#### 35 **REVENUE LAWS STUDY**

36 **SECTION 16.** The Department of Revenue shall provide to the Revenue Laws Study  
37 Committee information related to the property taxation of outdoor advertising signs. The  
38 information must include a review of the methods used to determine the fair market value of  
39 outdoor advertising signs in North Carolina, whether the Billboard Structures Valuation Guide  
40 published by the North Carolina Department of Revenue provides an accurate representation of  
41 the base costs for outdoor advertising structures in North Carolina, whether the Department  
42 should use data on actual costs attributed to structures constructed in North Carolina, the practices  
43 in other states, and any other issues the Department deems relevant.

44 The Department shall provide the requested information to the Committee no later  
45 than March 31, 2020.

#### 46 **BROADBAND EASEMENTS**

47 **SECTION 17.** G.S. 117-28.1 reads as rewritten:

1 **"§ 117-28.1. Electric membership corporations; easements.**

2 (a) Any easement owned, held, or otherwise used by an electric membership corporation  
3 for the purpose of electrification, as stated in G.S. 117-10 may also be used by the corporation,  
4 or its wholly owned subsidiary, for the ancillary purpose of supplying high-speed broadband  
5 service, where such use does not require additional construction and is ancillary to the  
6 electrification purposes for which broadband fiber is or was installed. Nothing in this subsection  
7 shall affect, abrogate, or eliminate in any way any obligation of the corporation or its wholly  
8 owned subsidiary to comply with any applicable requirements related to notice, safety, or  
9 permitting when constructing or maintaining lines or broadband fiber on, over, under, or across  
10 property owned or operated by a railroad company.

11 ...."

12  
13 **MANUFACTURED HOMES INSTALLATION**

14 **SECTION 18.(a)** G.S. 160A-383.1 is amended by adding a new subsection to read:

15 "(g) A city may require by ordinance that manufactured homes be installed in accordance  
16 with the Set-Up and Installation Standards adopted by the Commissioner of Insurance; provided,  
17 however, a city shall not require a masonry curtain wall or masonry skirting for manufactured  
18 homes located on land leased to the homeowner."

19 **SECTION 18.(b)** This section becomes effective October 1, 2019.

20  
21 **LIMITED REGISTRATION PLATES/FINE COLLECTION**

22 **SECTION 19.(a)** G.S. 20-54 reads as rewritten:

23 **"§ 20-54. Authority for refusing registration or certificate of title.**

24 The Division shall refuse registration or issuance of a certificate of title or any transfer of  
25 registration upon any of the following grounds:

26 ...

27 (6) The vehicle is not in compliance with the inspection requirements of Part 2 of  
28 Article 3A of this Chapter or a civil penalty assessed as a result of the failure  
29 of the vehicle to comply with that Part has not been paid. Notwithstanding this  
30 subdivision, a dealer licensed under Article 12 of this Chapter may, on behalf  
31 of a person purchasing a vehicle, obtain a limited registration plate pursuant  
32 to G.S. 20-79.1A.

33 ...

34 (10) The North Carolina Turnpike Authority has notified the Division that the  
35 owner of the vehicle has not paid the amount of tolls, fees, and civil penalties  
36 the owner owes the Authority for use of a Turnpike project. Notwithstanding  
37 this subdivision, a dealer licensed under Article 12 of this Chapter may, on  
38 behalf of a person purchasing a vehicle, obtain a limited registration plate  
39 pursuant to G.S. 20-79.1A.

40 (11) The Division has been notified (i) pursuant to G.S. 20-217(g2) that the owner  
41 of the vehicle has failed to pay any fine imposed pursuant to G.S. 20-217 or  
42 (ii) pursuant to G.S. 153A-246(b)(14) that the owner of the vehicle has failed  
43 to pay a civil penalty due under G.S. 153A-246. Notwithstanding this  
44 subdivision, a dealer licensed under Article 12 of this Chapter may, on behalf  
45 of a person purchasing a vehicle, obtain a limited registration plate pursuant  
46 to G.S. 20-79.1A.

47 (12) The owner of the vehicle has failed to pay any penalty or fee imposed pursuant  
48 to G.S. 20-311. Notwithstanding this subdivision, a dealer licensed under  
49 Article 12 of this Chapter may, on behalf of a person purchasing a vehicle,  
50 obtain a limited registration plate pursuant to G.S. 20-79.1A.

1 (13) The Division has been notified by the State Highway Patrol that the owner of  
2 the vehicle has failed to pay any civil penalty and fees imposed by the State  
3 Highway Patrol for a violation of Part 9 of Article 3 of this Chapter.  
4 Notwithstanding this subdivision, a dealer licensed under Article 12 of this  
5 Chapter may, on behalf of a person purchasing a vehicle, obtain a limited  
6 registration plate pursuant to G.S. 20-79.1A."

7 **SECTION 19.(b)** G.S. 20-79.1A(a)(1) reads as rewritten:

8 "(a) Eligibility. – A limited registration plate is issuable to any of the following:

9 (1) A person who applies, either directly or through a dealer licensed under  
10 Article 12 of this Chapter, for a title to a motor vehicle and a registration plate  
11 for the vehicle and who submits payment for the applicable title and  
12 registration fees but does not submit payment for any municipal corporation  
13 property taxes on the vehicle. A person who submits payment for municipal  
14 corporation property taxes receives an annual registration plate. A dealer shall  
15 notify the person purchasing a vehicle of any outstanding civil penalties, fees,  
16 tolls, and obligations owed that are of record and that are known by the dealer  
17 at the time the dealer applies for a title to a motor vehicle and a registration  
18 plate for the vehicle under this section."

19 **SECTION 19.(c)** This section is effective when it becomes law.  
20

## 21 VOTING SYSTEMS PERFORMANCE BOND

22 **SECTION 20.(a)** G.S. 163A-1115 reads as rewritten:

23 **"§ 163A-1115. Voting systems: powers and duties of State Board.**

24 (a) **(Effective until December 1, 2019, for certain counties – see note)** Only voting  
25 systems that have been certified by the State Board in accordance with the procedures set forth  
26 by the State Board and subject to the standards set forth in this section and that have not been  
27 subsequently decertified shall be permitted for use in elections in this State. Those certified  
28 voting systems shall be valid in any election held in the State or in any county, municipality, or  
29 other electoral district in the State. Subject to all other applicable rules adopted by the State Board  
30 and, with respect to federal elections, subject to all applicable federal regulations governing  
31 voting systems, paper ballots marked by the voter and counted by hand shall be deemed a  
32 certified voting system. The State Board shall certify optical scan voting systems, optical scan  
33 with ballot markers voting systems, and direct record electronic voting systems if any of those  
34 systems meet all applicable requirements of federal and State law. The State Board may certify  
35 voting systems only if they meet the requirements set forth in this ~~section~~section, the  
36 performance bond or letter of credit required by subdivision (1) of this subsection has been  
37 posted, and only if they generate either a paper ballot or a paper record by which voters may  
38 verify their votes before casting them and which provides a backup means of counting the vote  
39 that the voter casts. Those voting systems may include optical scan and direct record electronic  
40 (DRE) voting systems. Among other requirements as set by the State Board, the certification  
41 requirements shall require at least all of the following elements:

42 (1) That the vendor post a performance bond or letter of credit to cover damages  
43 resulting from defects in the voting system, expenses associated with State or  
44 federal decertification of the voting system, and to protect against the vendor's  
45 insolvency or financial inability to make State or federally mandated  
46 modifications or updates to the voting system. Damages may include, among  
47 other items, any costs of conducting a new county or statewide election  
48 attributable to those defects. The bond or letter of credit shall be maintained  
49 in the amount determined by the State Board as sufficient for the cost of a new  
50 statewide election or in the amount of ten million dollars (\$10,000,000),  
51 whichever is greater.

1 ...  
 2 (a) (Effective June 20, 2018, as to certain counties, and December 1, 2019, as to all  
 3 other counties – see note) Only voting systems that have been certified by the State Board in  
 4 accordance with the procedures set forth by the State Board and subject to the standards set forth  
 5 in this section and that have not been subsequently decertified shall be permitted for use in  
 6 elections in this State. Those certified voting systems shall be valid in any election held in the  
 7 State or in any county, municipality, or other electoral district in the State. Subject to all other  
 8 applicable rules adopted by the State Board and, with respect to federal elections, subject to all  
 9 applicable federal regulations governing voting systems, paper ballots marked by the voter and  
 10 counted by hand shall be deemed a certified voting system. The State Board shall certify optical  
 11 scan voting systems, optical scan with ballot markers voting systems, and direct record electronic  
 12 voting systems if any of those systems meet all applicable requirements of federal and State law.  
 13 The State Board may certify voting systems only if they meet the requirements set forth in this  
 14 ~~section~~ section, the performance bond or letter of credit required by this subdivision (1) of this  
 15 subsection has been posted, and only if they generate a paper ballot which provides a backup  
 16 means of counting the vote that the voter casts. Those voting systems may include optical scan  
 17 and direct record electronic (DRE) voting systems that produce a paper ballot. Among other  
 18 requirements as set by the State Board, the certification requirements shall require at least all of  
 19 the following elements:

- 20 (1) That the vendor post a performance bond or letter of credit to cover damages  
 21 resulting from defects in the voting system, expenses associated with State or  
 22 federal decertification of the voting system, and to protect against the vendor's  
 23 insolvency or financial inability to make State or federally mandated  
 24 modifications or updates to the voting system. Damages may include, among  
 25 other items, any costs of conducting a new county or statewide election  
 26 attributable to those defects. The bond or letter of credit shall be maintained  
 27 in the amount determined by the State Board as sufficient for the cost of a new  
 28 statewide election or in the amount of ten million dollars (\$10,000,000),  
 29 whichever is greater.

30 ...."

31 **SECTION 20.(b)** This section becomes effective January 1, 2020.

### 32 **SALE OF SALVAGED VEHICLES**

33 **SECTION 21.(a)** G.S. 20-183.4C(a) reads as rewritten:

34 "(a) Inspection. – A vehicle that is subject to a safety inspection, an emissions inspection,  
 35 or both must be inspected as follows:

36 ...

- 37 (2) ~~A~~ Except as otherwise provided in this subdivision, a used vehicle must be  
 38 inspected before it is offered for sale at retail in this State by a dealer. Upon  
 39 purchase, a receipt approved by the Division must be provided to the new  
 40 owner certifying compliance. A dealer may sell, without a safety inspection,  
 41 a used vehicle issued a salvage certificate of title in accordance with the  
 42 provisions of this Chapter if (i) no alterations or repairs have been made to the  
 43 vehicle after issuance of the salvage certificate of title and after sale of the  
 44 vehicle and (ii) the dealer discloses in writing on a form approved by the  
 45 Division that no safety inspection has been performed by the dealer.

46 ...."

47 **SECTION 21.(b)** This section becomes effective March 1, 2020, and applies to used  
 48 vehicles sold on or after that date.

### 49 **SALVAGE TITLE STUDY**

1           **SECTION 22.(a)** The Division of Motor Vehicles shall, in consultation with the  
2 Department of Insurance and interested parties, study whether the laws governing the title,  
3 registration, and branding of salvage vehicles need to be revised to protect consumers from  
4 vehicles that appear safe, which are actually unsafe because of flood damage or other severe  
5 damage that makes a vehicle unsafe, but is concealed from the consumer. The study will include  
6 the economic impact to the consumer of any proposed change in law recommended by the  
7 Division. As part of the study, the Division shall consider any other issues determined to be  
8 relevant to the title and registration of salvage vehicles.

9           **SECTION 22.(b)** No later than March 1, 2020, the Division of Motor Vehicles shall  
10 report its findings, including any recommendations for legislation, to the chairs of the Joint  
11 Legislative Transportation Oversight Committee, the House of Representatives Appropriations  
12 Committee on Transportation, the Senate Appropriations Committee on the Department of  
13 Transportation, and the Fiscal Research Division.

14           **SECTION 22.(c)** This section is effective when it becomes law.  
15

### 16 **ABC PERMITS AT CERTAIN STADIUMS**

17           **SECTION 23.(a)** G.S. 18B-1006(a) reads as rewritten:

18           "(a) School and College Campuses. – No permit for the sale of alcoholic beverages shall  
19 be issued to a business on the campus or property of a public school, college, or university. This  
20 subsection shall not apply to the following:

21           ...

22           (7) The sale of malt beverages, unfortified wine, or fortified wine at the following:

23           a. Performing arts centers located on property owned or leased by the  
24 public college or university.

25           b. Any stadiums that support a NASCAR-sanctioned one-fourth mile  
26 asphalt flat oval short track, that are owned or leased by the public  
27 college or university, and that only sell malt beverages, unfortified  
28 wine, or fortified wine at events that are not sponsored or funded by  
29 the public college or university.

30           c. Any stadiums with a permanently constructed seating capacity of  
31 2,000 or more, leased for a year or more to a for-profit corporation  
32 registered in the State, if (i) the permittee only sells malt beverages,  
33 unfortified wine, or fortified wine at events that are not sponsored or  
34 funded by the public college or university and (ii) the Board of  
35 Trustees of the public college or university has voted to allow the  
36 issuance of permits for use at that stadium. If a Board of Trustees votes  
37 to allow the issuance of permits in accordance with this subdivision,  
38 the Board of Trustees shall provide written notice to the Commission  
39 that it has voted to allow the issuance of permits.

40           ...."

41           **SECTION 23.(b)** This section becomes effective April 9, 2019, and applies to  
42 permits issued or active on or after that date.  
43

### 44 **DIVISION OF EMERGENCY MANAGEMENT STUDY**

45           **SECTION 24.(a)** Study. – The Division of Emergency Management of the  
46 Department of Public Safety shall study the needs of law enforcement, emergency medical and  
47 emergency management personnel, and firefighters to improve access to or within the interstate  
48 system of this State for the benefit of public safety. In conducting the study, the Division may  
49 consult with the Department of Transportation, the Office of State Fire Marshal of the  
50 Department of Insurance, the Office of Emergency Medical Services of the Department of Health  
51 and Human Services, and any other State or local government organizations the Division

determines may be of assistance in the course of the study. In performing the study, the Division shall, at a minimum, take the following steps:

- (1) Consult with county fire marshal divisions, emergency management offices, and emergency medical service divisions to determine potential sites of interest for construction or improvement relevant to the study.
- (2) Establish criteria to prioritize sites of interest for either construction or improvement.
- (3) Review applicable federal and State laws, codes, standards, and studies relevant to the study.
- (4) Review (i) existing Department of Transportation planning, design, and construction standards for interchanges, median crossovers, and access points and (ii) how those standards consider the needs of law enforcement, emergency medical and emergency management personnel, and firefighters.
- (5) Consider the feasibility of providing opportunities for stakeholder input during the planning of future interstate improvements that focus on the needs of law enforcement, emergency medical and emergency management personnel, and firefighters.
- (6) Examine any other matters the Division deems relevant in the course of the study.

**SECTION 24.(b)** Report. – The Division shall report the findings and recommendations, including any legislative proposals, to the Joint Legislative Oversight Committee on Justice and Public Safety, the Joint Legislative Emergency Management Oversight Committee, and the Joint Legislative Transportation Oversight Committee no later than March 1, 2022.

## **NORTH CAROLINA BOARD OF ARCHITECTURE MODIFICATIONS**

**SECTION 25.(a)** G.S. 83A-2 reads as rewritten:

**"§ 83A-2. North Carolina Board of Architecture; creation; appointment, terms and oath of members; vacancies; officers; bond of treasurer; notice of meetings; quorum.**

(a) The North Carolina Board of Architecture shall have the power and responsibility to administer the provisions of this Chapter in compliance with the Administrative Procedure Act.

(b) The Board shall consist of seven members appointed by the Governor. Five of the members of the Board shall be licensed architects appointed for five year terms; the terms shall be staggered so that the term of one architect member expires each year. No architect member shall be eligible to serve more than two consecutive terms; if a vacancy occurs during a term, the Governor shall appoint a person to fill the vacancy for the remainder of the unexpired term. Two of the members of the Board shall be persons who are not licensed architects and who represent the interest of the public at large; ~~the Governor shall appoint these members not later than July 1, 1979.~~ large. The public members shall have full voting powers and shall serve at the pleasure of the Governor. Each Board member shall file with the Secretary of State an oath faithfully to perform duties as a member of the Board, and to uphold the Constitution of North Carolina and the Constitution of the United States.

(c) Officers of the Board shall include a president, vice-president, secretary and treasurer elected at the annual meeting for terms of one year. The treasurer shall give bond in such sum as the Board shall determine, with such security as shall be approved by the Board, said bond to be conditioned for the faithful performance of the duties of his office and for the faithful accounting of all moneys and other property as shall come into his hands. Notice of the annual meeting, and the time and place of the annual meeting shall be given each member by letter at least 10 days prior to such meeting and public notice of annual meetings shall be published at least ~~once each week~~ for two weeks preceding such meetings in one or more newspapers of general circulation

1 ~~in this State.~~ on the Web site of the Board. A majority of the members of the Board shall constitute  
2 a quorum."

3 **SECTION 25.(b)** G.S. 83A-5 reads as rewritten:

4 **"§ 83A-5. Board records; rosters; seal.**

5 (a) The Board shall maintain records of board meetings, of applications for individual or  
6 corporate registration and the action taken thereon, of the results of examinations, of all  
7 disciplinary proceedings, and of such other information as deemed necessary by the Board or  
8 required by the Administrative Procedure Act or other provisions of the General Statutes.

9 (b) A complete roster showing the name and last known address of all resident and  
10 nonresident architects and architectural firms holding current licenses from the Board shall be  
11 maintained and published by the Board at least once each year. ~~Board,~~ and shall include each  
12 registrant's authorization or registration number. Copies of the roster shall be filed with the  
13 Secretary of State and the Attorney ~~General, and other applicable State or local agencies, and~~  
14 ~~upon request, may be distributed or sold to the public.~~ General, and may be made available on the  
15 Web site of the Board.

16 (c) The Board shall adopt a seal containing the name of the Board for use on its official  
17 records and reports."

18 **SECTION 25.(c)** G.S. 83A-7 reads as rewritten:

19 **"§ 83A-7. Qualifications and examination requirements.**

20 (a) Licensing by Examination. – Any individual who is at least 18 years of age and of  
21 good moral character may make written application for examination by completion of a form  
22 prescribed by the Board accompanied by the required application fee. Subject to qualification  
23 requirements of this section, the applicant shall be entitled to an examination to determine ~~his~~  
24 qualifications for licensure.

25 (1) The qualification requirements for ~~registration licensure by examination~~ as a  
26 duly licensed architect shall ~~be~~ be all of the following:

- 27 a. ~~Professional education and at least three years practical~~ Practical  
28 training and experience as specified by rules of the Board.  
29 b. The successful completion of a licensure examination in architecture  
30 as specified by the rules of the Board.  
31 c. The successful completion of an accredited master's or bachelor's  
32 degree in architecture as specified by the rules of the Board.

33 (2) The Board shall adopt rules to set requirements for professional education,  
34 practical training and experience, and examination which must be met by  
35 applicants for licensure and which may be based on the published guidelines  
36 of nationally recognized councils or agencies for the accreditation,  
37 examination, and licensing for the architectural profession.

38 (b) Licensing by Reciprocity. – Any individual holding a current license for the practice  
39 of architecture from another state or territory, and holding a ~~certificate of qualification~~ certified  
40 record issued by the National Council of Architectural Registration Boards, NCARB, may upon  
41 application and within the discretion of the Board be licensed without written examination. The  
42 Board ~~may~~ may, in its discretion, waive the requirement for National Council of Architectural  
43 Registration Boards (NCARB) registration certified record if the qualifications, examination and  
44 licensing requirements of the state in which the applicant is licensed are substantially equivalent  
45 to those of this State and the applicant otherwise meets the requirements of this Chapter."

46 **SECTION 25.(d)** G.S. 83A-11 reads as rewritten:

47 **"§ 83A-11. Expirations and renewals.**

48 Certificates must be renewed on or before the first day of July in each year. No less than 30  
49 days prior to the renewal date, a renewal application shall be ~~mailed~~ transmitted to each  
50 individual and corporate licensee. The completed application together with the required renewal  
51 fee shall be returned to the Board on or before the renewal date. When the Board is satisfied as

1 to the continuing competency of an architect, it shall issue a renewal of the certificate. Upon  
 2 failure to renew within 30 days after the date set for expiration, the license shall be automatically  
 3 revoked but such license may be renewed at any time within one year following the expiration  
 4 date upon proof of continuing competency and payment of the renewal fee plus a late renewal  
 5 fee. After one year from the date of revocation, reinstatement may be made by the Board, or in  
 6 its discretion, the application may be treated as new subject to reexamination and qualification  
 7 requirements as in the case of new applications."

## 9 **ALLOW CERTAIN USES OF FLOOD HAZARD AREAS WITH NO-RISE** 10 **CERTIFICATIONS**

11 **SECTION 26.** G.S. 143-215.54 reads as rewritten:

12 "**§ 143-215.54. Regulation of flood hazard areas; prohibited uses.**

13 (a) A local government may adopt ordinances to regulate uses in flood hazard areas and  
 14 grant permits for the use of flood hazard areas that are consistent with the requirements of this  
 15 Part.

16 (b) The following uses may be made of flood hazard areas without a permit issued under  
 17 this Part, provided that these uses comply with local land-use ordinances and any other applicable  
 18 laws or regulations:

- 19 (1) General farming, pasture, outdoor plant nurseries, horticulture, forestry,  
 20 mining, wildlife sanctuary, game farm, aquaculture, and other similar  
 21 agricultural, wildlife and related ~~uses~~uses.
- 22 (2) Ground level loading areas, parking areas, rotary aircraft ports and other  
 23 similar ground level area ~~uses~~uses.
- 24 (3) Lawns, gardens, play areas and other similar ~~uses~~uses.
- 25 (4) Golf courses, tennis courts, driving ranges, archery ranges, picnic grounds,  
 26 parks, hiking or horseback riding trails, open space and other similar private  
 27 and public recreational uses.
- 28 (5) Land application of waste at agronomic rates consistent with a permit issued  
 29 under Part 1 or Part 1A of Article 21 of Chapter 143 of the General Statutes  
 30 or an approved animal waste management plan.
- 31 (6) Land application of septage consistent with a permit issued under  
 32 G.S. 130A-291.1.

33 (c) New solid waste disposal facilities, hazardous waste management facilities, salvage  
 34 yards, and chemical storage facilities are prohibited in the 100-year floodplain except as  
 35 authorized under G.S. 143-215.54A(b)."

## 37 **INSURANCE CANCELLATION PROOF OF MAILING**

38 **SECTION 27.(a)** G.S. 58-41-15 reads as rewritten:

39 "**§ 58-41-15. Certain policy cancellations prohibited.**

40 ...

41 (b) Any cancellation permitted by subsection (a) of this section is not effective unless  
 42 written notice of cancellation has been delivered or mailed to the insured, not less than 15 days  
 43 before the proposed effective date of cancellation. The notice must be given or mailed to the  
 44 insured, and any designated mortgagee or loss payee at their addresses shown in the policy or, if  
 45 not indicated in the policy, at their last known addresses. The notice must state the precise reason  
 46 for cancellation. ~~Proof of mailing is sufficient proof of notice.~~ Failure to send this notice to any  
 47 designated mortgagee or loss payee invalidates the cancellation only as to the mortgagee's or loss  
 48 payee's interest.

49 ...

50 (f) For purposes of this section, proof of mailing is sufficient proof of notice."



1           **SECTION 27.(b)** This section becomes effective October 1, 2019, and applies to  
2 policies issued, amended, or renewed on or after that date.

3  
4 **HURRICANE FLORENCE FUNDS**

5           **SECTION 28.** Notwithstanding any other provision of law to the contrary, the  
6 Department of Agriculture and Consumer Services may use funds appropriated to the  
7 Department pursuant to Session Law 2018-136, Section 4.1, to provide non-federal match for  
8 any project that has been or will be approved for funding by the USDA Emergency Watershed  
9 Protection Program.

10  
11 **PART IV. SEVERABILITY CLAUSE AND EFFECTIVE DATE**

12           **SECTION 29.(a)** If any section or provision of this act is declared unconstitutional  
13 or invalid by the courts, it does not affect the validity of this act as a whole or any part other than  
14 the part declared to be unconstitutional or invalid.

15           **SECTION 29.(b)** Except as otherwise provided, this act is effective when it becomes  
16 law.