

**Senate Appropriations Committee
on Agriculture, Natural, and
Economic Resources**

**Proposed 2019 Budget
Special Provisions**

May 28, 2019
1:00 pm

1 and (iv) any impact on the counties' infant mortality rate. The Division shall report its findings
2 to the House of Representatives Appropriations Committee on Health and Human Services, the
3 Senate Appropriations Committee on Health and Human Services, and the Fiscal Research
4 Division no later than December 31 of each year.

5 **SECTION 9K.1.(dd)** The sum of sixty-eight thousand two hundred forty-five dollars
6 (\$68,245) allocated in this section in the Maternal and Child Health Block Grant to the
7 Department of Health and Human Services, Division of Public Health, Women and Children's
8 Health Section, for each fiscal year of the 2019-2021 fiscal biennium shall not be used to supplant
9 existing State or federal funds. This allocation shall be used for a Public Health Program
10 Consultant position assigned full-time to manage the North Carolina Perinatal Health Strategic
11 Plan and provide staff support for the stakeholder work group.

12 **SECTION 9K.1.(ee)** The sum of one hundred thousand dollars (\$100,000) allocated
13 in this section in the Maternal and Child Health Block Grant to the Department of Health and
14 Human Services, Division of Public Health, for each year of the 2019-2021 fiscal biennium for
15 community-based sickle cell centers shall not be used to supplant existing State or federal funds.
16

17 **PART X. AGRICULTURE AND CONSUMER SERVICES**

18 **DACS REPORT CHANGES**

19 **SECTION 10.1.(a)** G.S. 19A-62(c) reads as rewritten:

20 "(c) Report. – In March of each year, the Department must report to the ~~Joint Legislative~~
21 ~~Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture
22 and Natural and Economic Resources and the Fiscal Research Division. The report must contain
23 information regarding all revenues and expenditures of the Spay/Neuter Account."
24

25 **SECTION 10.1.(b)** G.S. 19A-69 reads as rewritten:

26 "**§ 19A-69. Report.**

27 The Department shall report annually to the ~~Joint Legislative Commission on Governmental~~
28 ~~Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic
29 Resources and the Fiscal Research Division no later than March 1. The report shall contain
30 information regarding all revenues and expenditures of the Animal Shelter Support Fund."
31

32 **SECTION 10.1.(c)** G.S. 106-744(i) reads as rewritten:

33 "(i) The Advisory Committee shall report no later than October 1 of each year to the ~~Joint~~
34 ~~Legislative Commission on Governmental Operations~~, Joint Legislative Oversight Committee
35 on Agriculture and Natural and Economic Resources, the Environmental Review Commission,
36 ~~and the House of Representatives and Senate Appropriations Subcommittees on Natural and~~
37 ~~Economic Resources~~ the chairs of the Senate Appropriations Committee on Agriculture, Natural,
38 and Economic Resources, and the chairs of the House of Representatives Appropriations
39 Committee on Agriculture and Natural and Economic Resources regarding the activities of the
40 Advisory Committee, the agriculture easements purchased, and agricultural projects funded
41 during the previous fiscal year."

42 **SECTION 10.1.(d)** G.S. 106-747(f) reads as rewritten:

43 "(f) Reports. – The Committee shall report on its activities conducted to implement this
44 section, including any findings, recommendations, and legislative proposals, to the North
45 Carolina Military Affairs ~~Commission and Commission~~, the Agriculture and Forestry Awareness
46 Study Commission, ~~Commission~~, and the Joint Legislative Oversight Committee on Agriculture
47 and Natural and Economic Resources beginning September 1, 2017, and annually thereafter, until
48 such time as the Committee completes its work."

49 **SECTION 10.1.(e)** G.S. 106-755.1(14) reads as rewritten:

50 "(14) By September 1 of each year, to report to the ~~House of Representatives~~
51 ~~Appropriations Subcommittee on Natural and Economic Resources~~, the
Senate Appropriations Committee on Natural and Economic Resources, the

~~Joint Legislative Commission on Governmental Operations, chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division on the activities of the Council, the status of the wine and grape industry in North Carolina and the United States, progress on the development and implementation of the State Viticulture Plan, and any contracts or agreements entered into by the Council for research, education, or marketing."~~

SECTION 10.1.(f) G.S. 106-887(i) reads as rewritten:

"(i) The Department shall report no later than October 1 of each year to the ~~Joint Legislative Commission on Governmental Operations, the House and Senate Appropriations Subcommittees on Natural and Economic Resources, Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division, and the Environmental Review Commission~~ on the Department's management activities at DuPont State Recreational Forest during the preceding fiscal year and plans for management of DuPont State Recreational Forest for the upcoming fiscal year."

SECTION 10.1.(g) G.S. 106-911 reads as rewritten:

"§ 106-911. Annual report on wildfires.

No later than October 1 of each year, beginning October 1, 2012, the Commissioner shall submit a written report on wildfires in the State to the chairs of the ~~House Appropriations Subcommittee on Natural and Economic Resources and the Senate Appropriations Committee on Natural and Economic Resources, the Joint Legislative Commission on Governmental Operations, Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division of the General Assembly.~~ The report shall include the following information for all major or project wildfires during the prior fiscal year:

...."

SECTION 10.1.(h) G.S. 106-1029(b)(3) and (5) read as rewritten:

"(3) Establish in November prior to those sessions in which the General Assembly considers the State budget, the estimated total assessment that will be collectible in the next budget period and so inform the ~~General Assembly; Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources.~~

...

(5) By January 15 of each odd-numbered year, report to the ~~General Assembly Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources~~ on the number of acres reforested, type of owners assisted, geographic distribution of funds, the amount of funds ~~encumbered~~ encumbered, and other matters. The report shall include the information by forestry district and statewide and shall be for the two fiscal years prior to the date of the report."

SECTION 10.1.(i) Section 11.1 of S.L. 2012-142 is codified as G.S. 106-915 and reads as rewritten:

"§ 106-915. B.R.I.D.G.E. Youthful Offenders Program; annual report.

1 (a) The Division of Adult Correction and Juvenile Justice of the Department of Public
2 Safety shall give priority to the B.R.I.D.G.E. Youthful Offenders Program operated in
3 cooperation with the North Carolina Forest Service when assigning youthful offenders from the
4 ~~Western Youth Institution-Foothills Correctional Institution~~ to work programs.

5 (b) The North Carolina Forest Service shall submit an annual report on the B.R.I.D.G.E.
6 Youthful Offenders Program no later than October 1 of each year beginning October 1, 2012, to
7 the Fiscal Research Division, the ~~Chairs of the House Appropriations Subcommittee on Natural
8 and Economic Resources and the Senate Appropriations Committee on Natural and Economic
9 Resources, the Chairs of the House Appropriations Subcommittee on Justice and Public Safety
10 and the Senate Appropriations Committee on Justice and Public Safety, the Joint Legislative
11 Commission on Governmental Operations,~~ chairs of the Senate Appropriations Committee on
12 Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives
13 Appropriations Committee on Agriculture and Natural and Economic Resources, the Joint
14 Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the
15 chairs of the Senate Appropriations Committee on Justice and Public Safety, the chairs of the
16 House of Representatives Appropriations Committee on Justice and Public Safety, and the Joint
17 Legislative Oversight Committee on Justice and Public Safety. The report shall include the
18 following information for the prior fiscal year:

19"

20 **SECTION 10.1.(j)** Section 13.7(b) of S.L. 2013-360 is codified as G.S. 106-590 and
21 reads as rewritten:

22 "**§ 106-590. Annual report on funds allocated to the North Carolina Agricultural
23 Foundation, Inc.**

24 ~~North Carolina Agricultural Foundation—FFA Foundation (hereinafter "FFA Foundation")~~
25 The North Carolina Agricultural Foundation, Inc., shall do the following if the Department of
26 Agriculture and Consumer Services allocates funds to the entity it for programs of the North
27 Carolina Future Farmers of America Association:

- 28 (1) By September 1 of each year, and more frequently as requested, report to the
29 ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative
30 Oversight Committee on Agriculture and Natural and Economic Resources
31 and the Fiscal Research Division on prior State fiscal year program activities,
32 objectives, and accomplishments and prior State fiscal year itemized
33 expenditures and fund sources.
- 34 (2) Provide to the Fiscal Research Division a copy of the organization's annual
35 audited financial statement within 30 days of issuance of the statement."
36

37 **TIMBER SALES/RETENTION OF PROCEEDS**

38 **SECTION 10.2.** The Department of Agriculture and Consumer Services is
39 authorized to expend up to one hundred fifty thousand dollars (\$150,000) each year for forestry
40 management from funds received from the sale of timber that are deposited with the State
41 Treasurer in a capital improvement account pursuant to G.S. 146-30. The Director of the Budget
42 is authorized to transfer up to one hundred fifty thousand dollars (\$150,000) from the capital
43 improvement account to the Reserve for Forestry Management in the Department's operating
44 budget and to prepare succeeding continuation budget documents to include one hundred fifty
45 thousand dollars (\$150,000) in the Reserve for Forestry Management.
46

47 **DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES STUDY OF 48 STATE-MANAGED PROPERTIES**

49 **SECTION 10.7.(a)** The Department of Agriculture and Consumer Services' Plant
50 Industry Division shall study and report on wildlife enhancement, invasive species control, and

1 native habitat restoration on properties managed by the State. The Division shall include the
2 following in its study and report:

- 3 (1) The amount of funds and other resources dedicated by each State agency land
4 manager (including the Department of Natural and Cultural Resources, the
5 Wildlife Resources Commission, the Department of Environmental Quality,
6 and the Department of Agriculture and Consumer Services) to habitat
7 management for wildlife enhancement, including, but not limited to, invasive
8 species removal, prescribed burning, selective thinning, and native plant
9 restoration.
- 10 (2) The potential need for each State agency land manager for additional funding
11 or positions necessary to support wildlife enhancement, including invasive
12 species removal, prescribed burning, selective thinning, and native plant
13 restoration.
- 14 (3) Identification of existing federal funding sources for wildlife enhancement on
15 State-managed properties and missed match opportunities with State
16 resources.

17 **SECTION 10.7.(b)** The Department shall provide its report to the Joint Legislative
18 Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal
19 Research Division no later than April 1, 2020.

20 **SWINE BIOGAS**

21 **SECTION 10.9.** Of the funds appropriated in this act to the Department of
22 Commerce for the Gas Products Service to Agriculture Fund, the sum of four hundred fifty
23 thousand dollars (\$450,000) is allocated for the purpose of providing cost share assistance to
24 swine farmers for the installation of anaerobic digesters to be used for the production of biogas
25 at an eligible farm.

26 The funds shall be administered through the Agriculture Cost Share Program for
27 Nonpoint Source Pollution Control established by Article 72 of Chapter 106 of the General
28 Statutes. Notwithstanding G.S. 106-850(b)(6), participants shall be eligible for cost share of no
29 more than seventy-five percent (75%) of that portion of the construction and equipment costs for
30 the project in excess of four hundred forty dollars (\$440.00) per 1,000 pounds of steady state live
31 weight of swine located at the eligible farm. The annual limit specified in G.S. 106-850(b)(6)
32 shall not apply to funds allocated by this section, but total funding provided for any project shall
33 not exceed one hundred thousand dollars (\$100,000) over the lifetime of the project. Any
34 allocated funds not awarded for the purposes specified in this section by June 30, 2020, shall
35 revert to the General Fund.

36 For purposes of this section, an "eligible farm" shall be a swine farm meeting the
37 following criteria:

- 38 (1) The swine farm has a design capacity of less than 1,000,000 pounds steady
39 state live weight.
- 40 (2) The swine farm has entered into a contract with a duration of 10 years or more
41 for the purchase of the biogas produced by the anaerobic digester.

42 **INNOVATIVE LAGOON SLUDGE TREATMENT**

43 **SECTION 10.10.** Of the funds appropriated in this act to the Department of
44 Commerce for the Gas Products Service to Agriculture Fund, the sum of four hundred fifty
45 thousand dollars (\$450,000) is allocated for the purpose of providing cost share assistance to
46 swine farmers for the installation of innovative swine anaerobic lagoon sludge management
47 systems utilizing constructed wetlands as the primary system component.

48 The funds shall be administered through the Agriculture Cost Share Program for
49 Nonpoint Source Pollution Control established by Article 72 of Chapter 106 of the General
50
51

1 Statutes. The annual limit specified in G.S. 106-850(b)(6) shall not apply to funds allocated by
2 this section, but total funding provided for any project shall not exceed one hundred fifty
3 thousand dollars (\$150,000) over the lifetime of the project. Any allocated funds not awarded for
4 the purposes specified in this section by June 30, 2020, shall revert to the General Fund.
5

6 **AMEND FOREST DEVELOPMENT FUND PURPOSES**

7 **SECTION 10.11.(a)** G.S. 106-1013(d) reads as rewritten:

8 "(d) The Commissioner is authorized to purchase equipment for the implementation of
9 ~~this program~~ from the Forest Development Fund ~~subject to the limitations of G.S. 106-1018(e).~~
10 ~~All equipment purchased with these funds will be assigned to and used only for the forest~~
11 ~~development program, except for emergency use in forest fire suppression and other activities~~
12 ~~relating to the protection of life or property. The Forest Development Fund will be reimbursed~~
13 ~~from other program funds for equipment costs incurred during such emergency use. Funds~~
14 expended for equipment purchases under this subsection shall not exceed fifty percent (50%) of
15 assessments collected under Article 84 of this Chapter in any fiscal year."

16 **SECTION 10.11.(b)** G.S. 106-1018 reads as rewritten:

17 **"§ 106-1018. Forest Development Fund.**

18 (a) The Forest Development Fund is created in the Department as a special fund. Revenue
19 in the Fund does not revert at the end of a fiscal year, and interest and other investment income
20 earned by the Fund accrues to it. The Fund is created to provide revenue to implement this Article.
21 The Fund consists of the following revenue:

22 (1) Assessments on primary forest products collected under Article ~~81-84~~ of
23 Chapter 106 of the General Statutes.

24 (2) General Fund appropriations.

25 (3) Gifts and grants made to the Fund.

26 (b), (c) Repealed by Session Laws 1997-352, s. 3.

27 (d) In any fiscal year, no more than five percent (5%) of the available funds generated by
28 the Primary Forest Product Processor Assessment Act may be used for program support under
29 the provisions of G.S. 106-1013(c).

30 ~~(e) Funds used for the purchase of equipment under the provisions of G.S. 106-1013(d)~~
31 ~~shall be limited to appropriations from the General Fund to the Forest Development Fund~~
32 ~~designated specifically for equipment purchase."~~

33 **SECTION 10.11.(c)** G.S. 106-1026(b) reads as rewritten:

34 "(b) All assessments levied under the provisions of this Article shall be used only for the
35 purposes specified in G.S. 106-1029(c) and in the Forest Development Act, Article ~~44-83~~ of this
36 Chapter."

37 **SECTION 10.11.(d)** This section becomes effective July 1, 2019, and applies to
38 assessments levied on primary forest products pursuant to Article 84 of Chapter 106 of the
39 General Statutes on or after that date.
40

41 **HEMLOCK RESTORATION REPORT**

42 **SECTION 10.12.** The North Carolina Forest Service shall report on the hemlock
43 restoration initiatives funded by this act. The report shall include the following with respect to
44 each hemlock restoration initiative funded during the 2019-2021 biennium:

45 (1) Identification of goals and outcomes for the initiative.

46 (2) A description of the measures used or data collected to evaluate the efficiency
47 and effectiveness of the initiative in reaching its desired goals and outcomes.

48 (3) The performance of each initiative with respect to the identified goals and
49 outcomes.

50 The Forest Service shall provide its report on the prior fiscal year's funding to the
51 Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and

1 the Fiscal Research Division no later than October 1 of each year in the 2019-2021 fiscal
2 biennium.

4 **PRESCRIBED BURNING MATCHING GRANT PROGRAM**

5 **SECTION 10.13.(a)** Article 80 of Chapter 106 of the General Statutes is amended
6 by adding a new section to read:

7 "**§ 106-971. Prescribed burn grants.**

8 (a) Establishment. – The Prescribed Burn Grant Program is established within the North
9 Carolina Forest Service of the Department of Agriculture and Consumer Services. The Forest
10 Service is responsible for administering the Program and shall issue rules setting forth the form
11 and contents of the application, grant cycle time lines, and funding limits for individual projects
12 and for grant recipients.

13 (b) Purposes. – The Program shall be used for support of prescribed burning on privately
14 owned forestlands that will maximize the benefits set forth in this Article.

15 (c) Eligibility. – To be eligible for funding from the Program, prescribed burning projects
16 must meet all of the following criteria:

17 (1) The project must meet the requirements of this Article, as determined by the
18 Forest Service.

19 (2) Funds provided by the Program must be matched in an equal amount by the
20 landowner or another non-State source of funds."

21 **SECTION 10.13.(b)** Notwithstanding G.S. 150B-21.1A(a), the Department of
22 Agriculture and Consumer Services shall adopt emergency rules in accordance with
23 G.S. 150B-21.1A to implement G.S. 106-971, as enacted by this section.

25 **PART XI. COMMERCE**

27 **COMMERCE REPORT CHANGE**

28 **SECTION 11.1.** G.S. 143B-434.01(b) reads as rewritten:

29 "(b) Plan. – The Secretary shall review and update the existing Plan on or before April 1
30 of each year. The Plan shall cover a period of four years and each annual update shall extend the
31 time frame by one year so that a four-year plan is always in effect. The Secretary shall provide
32 copies of the Plan and each annual update to the ~~Governor and the Joint Legislative Commission~~
33 ~~on Governmental Operations.~~ Governor, the chairs of the Senate Appropriations Committee on
34 Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives
35 Appropriations Committee on Agriculture and Natural and Economic Resources, and the Joint
36 Legislative Economic Development and Global Engagement Oversight Committee. The Plan
37 shall encompass all of the components set out in this section."

39 **COMMUNITY DEVELOPMENT BLOCK GRANTS**

40 **SECTION 11.2.(a)** Of the funds appropriated in this act for federal block grant
41 funds, the following allocations are made for the fiscal years ending June 30, 2020, and June 30,
42 2021, according to the following schedule:

44 **COMMUNITY DEVELOPMENT BLOCK GRANT**

46	01. State Administration	\$1,610,278
47		
48	02. Neighborhood Revitalization	10,000,000
49		
50	03. Economic Development	11,000,000
51		

1	04. Infrastructure	25,719,918
2		
3	TOTAL COMMUNITY DEVELOPMENT	
4	BLOCK GRANT – 2020 Program Year	\$48,330,196
5	2021 Program Year	\$48,330,196
6		

7 **SECTION 11.2.(b)** If federal funds are reduced below the amounts specified in this
 8 section after the effective date of this act, then every program in each of these federal block grants
 9 shall be reduced by the same percentage as the reduction in federal funds.

10 **SECTION 11.2.(c)** Any block grant funds appropriated by the Congress of the
 11 United States in addition to the funds specified in this section shall be expended as follows: each
 12 program category under the Community Development Block Grant shall be increased by the
 13 same percentage as the increase in federal funds.

14 **SECTION 11.2.(d)** The Department of Commerce shall consult with the Joint
 15 Legislative Commission on Governmental Operations prior to reallocating Community
 16 Development Block Grant Funds. Notwithstanding the provisions of this subsection, whenever
 17 the Director of the Budget finds either of the following conditions exist:

- 18 (1) If a reallocation is required because of an emergency that poses an imminent
 19 threat to public health or public safety, then the Director of the Budget may
 20 authorize the reallocation without consulting the Commission. The
 21 Department of Commerce shall report to the Commission on the reallocation
 22 no later than 30 days after it was authorized and shall identify in the report the
 23 emergency, the type of action taken, and how it was related to the emergency.
- 24 (2) If the State will lose federal block grant funds or receive less federal block
 25 grant funds in the next fiscal year unless a reallocation is made, then the
 26 Department of Commerce shall provide a written report to the Commission
 27 on the proposed reallocation and shall identify the reason that failure to take
 28 action will result in the loss of federal funds. If the Commission does not hear
 29 the issue within 30 days of receipt of the report, the Department may take the
 30 action without consulting the Commission.

31 **SECTION 11.2.(e)** By September 1, 2019, and September 1, 2020, the Department
 32 of Commerce shall report to the chairs of the House of Representatives Appropriations
 33 Committee on Agriculture and Natural and Economic Resources; the chairs of the Senate
 34 Appropriations Committee on Agriculture, Natural, and Economic Resources; the Joint
 35 Legislative Economic Development and Global Engagement Oversight Committee; and the
 36 Fiscal Research Division on the use of Community Development Block Grant Funds
 37 appropriated in the prior fiscal year. The report shall include the following:

- 38 (1) A discussion of each of the categories of funding and how the categories were
 39 selected, including information on how a determination was made that there
 40 was a statewide need in each of the categories.
- 41 (2) Information on the number of applications that were received in each category
 42 and the total dollar amount requested in each category.
- 43 (3) A list of grantees, including the grantee's name, county, category under which
 44 the grant was funded, the amount awarded, and a narrative description of the
 45 project.

46 **SECTION 11.2.(f)** For purposes of this section, eligible activities under the category
 47 of infrastructure in subsection (a) of this section shall be defined as provided in the HUD State
 48 Administered Community Development Block Grant definition of the term "infrastructure."
 49 Notwithstanding the provisions of subsection (d) of this section, funds allocated to the
 50 infrastructure category in subsection (a) of this section shall not be reallocated to any other
 51 category.

1 **"§ 143-711. Board of directors.**

2 (a) The General Assembly also approves the provisions in the Consent Decree
3 concerning the governance of the ~~nonprofit corporation~~ Golden LEAF Foundation by 15
4 directors holding staggered, four-year terms, five directors to be appointed by the Governor of
5 the State of North Carolina, one of whom shall be the ~~chair~~ Chair of the Rural Infrastructure
6 Authority created in G.S. 143B-472.128, or the ~~chair's~~ Chair's designee, five by the President Pro
7 Tempore of the North Carolina Senate, and five by the Speaker of the North Carolina House of
8 Representatives; and that the Governor shall appoint the first Chair among ~~his~~ the Governor's
9 appointees, and the directors shall elect their own Chair from among their number for subsequent
10 terms. Members of the General Assembly ~~may~~ shall not be appointed to serve on the board of
11 directors while serving in the General Assembly.

12 (b) It is the intent of the General Assembly that the Governor, Speaker of the House of
13 Representatives, and President Pro Tempore of the Senate, in appointing directors to the
14 ~~nonprofit corporation~~ Golden LEAF Foundation, shall, in their sole discretion, include among
15 their appointments representatives of tobacco production, tobacco manufacturing,
16 tobacco-related employment, health, and economic development interests, with each appointing
17 authority selecting at least two directors from these interests. It is also the intent of the General
18 Assembly that the appointing authorities, in appointing directors, shall appoint members that
19 represent the geographic, gender, and racial diversity of the State.

20 **"§ 143-712. Articles of incorporation; reporting.**

21 The Attorney General shall draft articles of incorporation for the ~~nonprofit corporation~~
22 Golden LEAF Foundation to enable the ~~nonprofit corporation~~ Golden LEAF Foundation to carry
23 out its mission as set out in the Consent Decree. The articles of incorporation shall provide for
24 the following:

- 25 (1) Consultation; reporting. – The ~~nonprofit corporation~~ Golden LEAF
26 Foundation shall consult with the Joint Legislative Commission on
27 Governmental Operations ("~~Commission~~") prior to the ~~corporation's~~ board of
28 directors (i) adopting bylaws and (ii) adopting the annual operating budget.
29 The ~~nonprofit corporation~~ Golden LEAF Foundation shall also report on its
30 programs and activities to the ~~Commission~~ Joint Legislative Commission on
31 Governmental Operations, the Joint Legislative Oversight Committee on
32 Agriculture and Natural and Economic Resources, and the Joint Legislative
33 Economic Development and Global Engagement Oversight Committee on or
34 before ~~March 1~~ September 15 of each fiscal year and more frequently as
35 requested by ~~the Commission~~ any of these entities. The report shall include
36 ~~information on the activities and accomplishments during the fiscal year,~~
37 ~~itemized expenditures during the fiscal year, planned activities and goals for~~
38 ~~at least the next 12 months, and itemized anticipated expenditures for the next~~
39 ~~fiscal year.~~ all of the following information:

- 40 a. Grants made in the prior fiscal year, including the amount, term, and
41 purpose of the grant.
42 b. Outcome data collected by the Golden LEAF Foundation, including
43 the number of jobs created.
44 c. Cumulative grant data by program and by county.
45 d. Unaudited actual administrative expenses and grants made in the prior
46 fiscal year.
47 e. Current fiscal year budget, planned activities, and goals for the current
48 fiscal year.

49 The ~~nonprofit corporation~~ Golden LEAF Foundation shall also annually
50 provide to the ~~Commission~~ Joint Legislative Oversight Committee on
51 Agriculture and Natural and Economic Resources and the Joint Legislative

Economic Development and Global Engagement Oversight Committee an itemized report of its administrative expenses and copies of its annual report and tax return information for the previous fiscal year by September 15 of each year, a copy of its annual audited financial statement for the previous fiscal year within 30 days of having received an audit report from an independent auditor, and a copy of its annual federal income tax return for the previous fiscal year within 30 days of filing.

- (2) Public records; open meetings. – ~~The nonprofit corporation Golden LEAF Foundation~~ is subject to the Open Meetings Law as provided in Article 33C of Chapter 143 of the General Statutes and the Public Records Act as provided in Chapter 132 of the General Statutes. ~~The nonprofit corporation Golden LEAF Foundation~~ shall publish at least annually a report, available to the public and filed with the ~~Joint Legislative Commission on Governmental Operations, Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Joint Legislative Economic Development and Global Engagement Oversight Committee,~~ of every expenditure or distribution in furtherance of the public charitable purposes of the ~~nonprofit corporation Golden LEAF Foundation.~~
- (3) Transfer of assets. – ~~The nonprofit corporation may Golden LEAF Foundation~~ shall not dispose of assets pursuant to G.S. 55A-12-02 without the approval of the General Assembly.
- (4) Charter repeal. – The charter of the ~~nonprofit corporation Golden LEAF Foundation~~ may be repealed at any time by the ~~legislature General Assembly~~ pursuant to Article VIII, Section 1 of the North Carolina Constitution. ~~The nonprofit corporation may Golden LEAF Foundation~~ shall not amend its articles of incorporation without the approval of the General Assembly.
- (5) Dissolution. – ~~The nonprofit corporation Golden LEAF Foundation~~ may be dissolved pursuant to Chapter 55A of the General Statutes, by the General Assembly, or by the Court pursuant to the Consent Decree. Upon dissolution, all unencumbered assets and funds of the ~~nonprofit corporation, Golden LEAF Foundation,~~ including the right to receive future funds pursuant to ~~Section 2 of this act, funds,~~ are transferred to the Settlement Reserve Fund established pursuant to G.S. 143-16.4.

"§ 143-713. Use of funds.

(a) The funds under the Master Settlement Agreement, which is incorporated into the Consent Decree, shall be credited to the Settlement Reserve Fund.

(b) Any monies paid into the North Carolina State Specific Account from the Disputed Payments Account on account of the Non-Participating Manufacturers that would have been transferred to ~~The Golden L.E.A.F. (Long Term Economic Advancement Foundation), Inc., the Golden LEAF Foundation~~ shall be deposited in the Settlement Reserve Fund."

SECTION 11.3.(c) G.S. 105-113.4C reads as rewritten:

"§ 105-113.4C. Enforcement of Master Settlement Agreement Provisions.

The Master Settlement Agreement between the states and the tobacco product manufacturers, incorporated by reference into the consent decree referred to in ~~S.L. 1999-2, G.S. 143-710,~~ requires each state to diligently enforce Article 37 of Chapter 66 of the General Statutes. The Office of the Attorney General and the Secretary of Revenue shall perform the following responsibilities in enforcing Article 37:

...."

COMMERCE NONPROFITS/REPORTING REQUIREMENTS

1 **SECTION 11.4.(a)** The entities listed in subsection (b) of this section shall do the
2 following for each year that State funds are expended:

3 (1) By September 1 of each year, and more frequently as requested, report to the
4 Joint Legislative Oversight Committee on Agriculture and Natural and
5 Economic Resources; the chairs of the House of Representatives
6 Appropriations Committee on Agriculture and Natural and Economic
7 Resources; the chairs of the Senate Appropriations Committee on Agriculture,
8 Natural, and Economic Resources; and the Fiscal Research Division on prior
9 State fiscal year program activities, objectives, and accomplishments and prior
10 State fiscal year itemized expenditures and fund sources.

11 (2) Provide to the Joint Legislative Oversight Committee on Agriculture and
12 Natural and Economic Resources; the chairs of the House of Representatives
13 Appropriations Committee on Agriculture and Natural and Economic
14 Resources; the chairs of the Senate Appropriations Committee on Agriculture,
15 Natural, and Economic Resources; and the Fiscal Research Division a copy of
16 the entity's annual audited financial statement within 30 days of issuance of
17 the statement.

18 **SECTION 11.4.(b)** The following entities shall comply with the requirements of
19 subsection (a) of this section:

20 (1) North Carolina Biotechnology Center.

21 (2) High Point Market Authority.

22 (3) RTI International.

23 24 **NC BIOTECHNOLOGY CENTER**

25 **SECTION 11.5.(a)** Of the funds appropriated in this act to the Department of
26 Commerce, the sum of thirteen million six hundred thousand three hundred thirty-eight dollars
27 (\$13,600,338) for each fiscal year in the 2019-2021 biennium shall be allocated to the North
28 Carolina Biotechnology Center (hereinafter "Center") for the following purposes:

29 (1) Job creation: AgBiotech Initiative, economic and industrial development, and
30 related activities – two million nine hundred twenty-four thousand
31 seventy-three dollars (\$2,924,073).

32 (2) Science and commercialization: science and technology development, Centers
33 of Innovation, business and technology development, education and training,
34 and related activities – eight million eight hundred thirteen thousand nineteen
35 dollars (\$8,813,019).

36 (3) Center operations: administration, professional and technical assistance and
37 oversight, corporate communications, human resource management, financial
38 and grant administration, legal, and accounting – one million eight hundred
39 sixty-three thousand two hundred forty-six dollars (\$1,863,246).

40 **SECTION 11.5.(b)** The Center shall prioritize funding and distribution of loans over
41 existing funding and distribution of grants.

42 **SECTION 11.5.(c)** Up to ten percent (10%) of each of the allocations in subsection
43 (a) of this section may be reallocated to subdivision (a)(1) or subdivision (a)(2) of this section if,
44 in the judgment of Center management, the reallocation will advance the mission of the Center.

45 46 **MODIFY FILM GRANT**

47 **SECTION 11.6.(a)** G.S. 143B-437.02A reads as rewritten:

48 **"§ 143B-437.02A. The Film and Entertainment Grant Fund.**

49 (a) Creation and Purpose of Fund. – There is created in the Department of Commerce a
50 special, nonreverting account to be known as the Film and Entertainment Grant Fund to provide
51 funds to encourage the production of motion pictures, television shows, movies for television,

1 productions intended for on-line distribution, and commercials and to develop the filmmaking
 2 industry within the State. The Department of Commerce shall adopt guidelines providing for the
 3 administration of the program. Those guidelines may provide for the Secretary to award the grant
 4 proceeds over a period of time, not to exceed three years. Those guidelines shall include the
 5 following provisions, which shall apply to each grant from the account:

- 6 (1) The funds are reserved for a production on which the production company has
 7 qualifying expenses of at least the following:
- 8 a. For a feature-length film:
 - 9 1. ~~Three million dollars (\$3,000,000),~~ One million five hundred
 10 thousand dollars (\$1,500,000), if for theatrical viewing.
 - 11 2. ~~One million dollars (\$1,000,000),~~ Five hundred thousand
 12 dollars (\$500,000), if a movie for television.
 - 13 b. For a television series, ~~one million dollars (\$1,000,000)~~ five hundred
 14 thousand dollars (\$500,000) per episode.
 - 15 c. For a commercial for theatrical or television viewing or on-line
 16 distribution, two hundred fifty thousand dollars (\$250,000).

17"

18 **SECTION 11.6.(b)** This section becomes effective July 1, 2019, and applies to
 19 grants made on or after that date.

20 **FILM SCHOOL ALLOCATION OF FILM GRANT PROGRAM**

21 **SECTION 11.7.** Of the funds appropriated in this act to the Department of
 22 Commerce for the Film and Entertainment Grant Fund, the Department may award up to one
 23 million dollars (\$1,000,000) in each fiscal year of the 2019-2021 fiscal biennium for grants for
 24 productions that are a project of one or more students of a film program of an accredited
 25 university in or an accredited college in this State. The provisions of G.S. 143B-437.02A, other
 26 than the provisions of subsections (d) and (f) of that section, apply to grants made pursuant to
 27 this section. The Department shall submit to the Joint Economic Development and Global
 28 Engagement Oversight Committee and to the Fiscal Research Division an initial report on grants
 29 made pursuant to this section no later April 1, 2020, and a final report no later than October 1,
 30 2021.

31 **PART XII. ENVIRONMENTAL QUALITY**

32 **DEQ REPORT CHANGES**

33 **SECTION 12.1.(a)** Section 15.6(b) of S.L. 1999-237, as amended by Section 4.21
 34 of S.L. 2017-10, reads as rewritten:

35 "Section 15.6.(b) The Department of Environmental Quality and the Office of State Budget
 36 and Management shall report to the Joint Legislative Oversight Committee on Agriculture and
 37 Natural and Economic Resources the amount and the source of the funds used pursuant to
 38 subsection (a) of this section ~~within 30 days of the expenditure of these funds on or before April~~
 39 15 of each year and shall include this information in the status of solid waste management report
 40 required to be submitted pursuant to G.S. 130A-309.06(c)."

41 **SECTION 12.1.(b)** G.S. 130A-309.06(c) reads as rewritten:

42 "(c) The Department shall report to the Environmental Review Commission and the Fiscal
 43 Research Division on or before ~~January 15~~ April 15 of each year on the status of solid waste
 44 management efforts in the State. The report shall ~~include~~ include all of the following:

45 ...

- 46 (17) ~~A report~~ Reports on the Inactive Hazardous Waste Response Act of 1987
 47 pursuant to ~~G.S. 130A-310.10(a)~~ G.S. 130A-310.10.

48 ...

1 (20) A report on the use of funds for Superfund cleanups and inactive hazardous
2 site cleanups."

3 **SECTION 12.1.(c)** G.S. 130A-294(i) reads as rewritten:

4 "(i) The Department shall include in the status of solid waste management report required
5 to be submitted ~~on or before January 15 of each year~~ pursuant to G.S. 130A-309.06(c) a report
6 on the implementation and cost of the hazardous waste management program. The report shall
7 include an evaluation of how well the State and private parties are managing and cleaning up
8 hazardous waste. The report shall also include recommendations to the Governor, State agencies,
9 and the General Assembly on ways to: improve waste management; reduce the amount of waste
10 generated; maximize resource recovery, reuse, and conservation; and minimize the amount of
11 hazardous waste which must be disposed of. The report shall include beginning and ending
12 balances in the Hazardous Waste Management Account for the reporting period, total fees
13 collected pursuant to G.S. 130A-294.1, anticipated revenue from all sources, total expenditures
14 by activities and categories for the hazardous waste management program, any recommended
15 adjustments in annual and tonnage fees which may be necessary to assure the continued
16 availability of funds sufficient to pay the State's share of the cost of the hazardous waste
17 management program, and any other information requested by the General Assembly. In
18 recommending adjustments in annual and tonnage fees, the Department may propose fees for
19 hazardous waste generators, and for hazardous waste treatment facilities that treat waste
20 generated on site, which are designed to encourage reductions in the volume or quantity and
21 toxicity of hazardous waste. The report shall also include a description of activities undertaken
22 to implement the resident inspectors program established under G.S. 130A-295.02. In addition,
23 the report shall include an annual update on the mercury switch removal program that shall
24 include, at a minimum, all of the following:

25 "

26 **SECTION 12.1.(d)** G.S. 130A-309.64(e) reads as rewritten:

27 "(e) The Department shall include in the report to be delivered to the Environmental
28 Review Commission ~~on or before January 15 of each year~~ pursuant to G.S. 130A-309.06(c) a
29 description of the implementation of the North Carolina Scrap Tire Disposal Act under this Part
30 for the fiscal year ending the preceding June 30. The description of the implementation of the
31 North Carolina Scrap Tire Disposal Act shall include a list of the recipients of grants under
32 subsection (a) of this section and the amount of each grant for the previous 12-month period. The
33 report also shall include the amount of funds used to clean up nuisance sites under subsection (d)
34 of this section."

35 **SECTION 12.1.(e)** G.S. 130A-309.85 reads as rewritten:

36 "**§ 130A-309.85. Reporting on the management of white goods.**

37 The Department shall include in the report to be delivered to the Environmental Review
38 Commission ~~on or before 15 January of each year~~ pursuant to G.S. 130A-309.06(c) a description
39 of the management of white goods in the State for the fiscal year ending the preceding 30 June.
40 The description of the management of white goods shall include the following information:

41 "

42 **SECTION 12.1.(f)** G.S. 130A-309.140(a) reads as rewritten:

43 "(a) The Department shall include in the status of solid waste management report required
44 to be submitted ~~on or before January 15 of each year~~ pursuant to G.S. 130A-309.06(c) a report
45 on the recycling of discarded computer equipment and televisions in the State under this Part.
46 The report must include an evaluation of the recycling rates in the State for discarded computer
47 equipment and televisions, a discussion of compliance and enforcement related to the
48 requirements of this Part, and any recommendations for any changes to the system of collection
49 and recycling of discarded computer equipment, televisions, or other electronic devices."

50 **SECTION 12.1.(g)** G.S. 130A-310.10 reads as rewritten:

51 "**§ 130A-310.10. Annual reports.**

1 (a) The Secretary shall include in the status of solid waste management report required
2 to be submitted ~~on or before January 15 of each year~~ pursuant to G.S. 130A-309.06(c) a report
3 on inactive hazardous sites that includes at least the following:

- 4 (1) The Inactive Hazardous Waste Sites Priority List.
- 5 (2) A list of remedial action plans requiring State funding through the Inactive
6 Hazardous Sites Cleanup Fund.
- 7 (3) A comprehensive budget to implement these remedial action plans and the
8 adequacy of the Inactive Hazardous Sites Cleanup Fund to fund the cost of
9 ~~said~~ these plans.
- 10 (4) A prioritized list of sites that are eligible for remedial action under
11 CERCLA/SARA together with recommended remedial action plans and a
12 comprehensive budget to implement ~~such~~ these plans. The budget for
13 implementing a remedial action plan under CERCLA/SARA shall include a
14 statement as to any appropriation that may be necessary to pay the State's share
15 of ~~such~~ the plan.
- 16 (5) A list of sites and remedial action plans undergoing voluntary cleanup with
17 Departmental approval.
- 18 (6) A list of sites and remedial action plans that may require State funding, a
19 comprehensive budget if implementation of these possible remedial action
20 plans is required, and the adequacy of the Inactive Hazardous Sites Cleanup
21 Fund to fund the possible costs of ~~said~~ these plans.
- 22 (7) A list of sites that pose an imminent hazard.
- 23 (8) A comprehensive budget to develop and implement remedial action plans for
24 sites that pose imminent hazards and that may require State funding, and the
25 adequacy of the Inactive Hazardous Sites Cleanup Fund.
- 26 (8a) Repealed by Session Laws 2015-286, s. 4.7(f), effective October 22, 2015.
- 27 (9) Any other information requested by the General Assembly or the
28 Environmental Review Commission.

29 (a1) On or before ~~October 1~~ April 15 of each year, the Department shall report to each
30 member of the General Assembly who has an inactive hazardous substance or waste disposal site
31 in the member's district. This report shall include the location of each inactive hazardous
32 substance or waste disposal site in the member's district, the type and amount of hazardous
33 substances or waste known or believed to be located on each of these sites, the last action taken
34 at each of these sites, and the date of that last action. The Department shall include this
35 information in the status of solid waste management report required to be submitted pursuant to
36 G.S. 130A-309.06(c).

37 (b) Repealed by Session Laws 2001-452, s. 2.3, effective October 28, 2001."

38 **SECTION 12.1.(h)** G.S. 130A-310.40 reads as rewritten:

39 **"§ 130A-310.40. Legislative reports.**

40 The Department shall include in the status of solid waste management report required to be
41 submitted ~~on or before January 15 of each year~~ pursuant to G.S. 130A-309.06(c) an evaluation
42 of the effectiveness of this Part in facilitating the remediation and reuse of existing industrial and
43 commercial properties. This evaluation shall include any recommendations for additional
44 incentives or changes, if needed, to improve the effectiveness of this Part in addressing ~~such~~ these
45 properties. This evaluation shall also include a report on receipts by and expenditures from the
46 Brownfields Property Reuse Act Implementation Account."

47 **SECTION 12.1.(i)** G.S. 143-215.104U(a) reads as rewritten:

48 "(a) The Secretary shall include in the status of solid waste management report required
49 to be submitted ~~on or before January 15 of each year~~ pursuant to G.S. 130A-309.06(c) a report
50 on at least the following:

51"

1 **SECTION 12.1.(j)** Section 14.22(j) of S.L. 2013-360 reads as rewritten:

2 **"SECTION 14.22.(j)** This section authorizes a Long Term Dredging Memorandum of
3 Agreement with the U.S. Army Corps of Engineers which may last beyond the current fiscal
4 biennium and which shall provide for all of the following:

- 5 (1) Prioritization of projects through joint consultation with the State, applicable
6 units of local government, and the U.S. Army Corps of Engineers.
- 7 (2) Compliance with G.S. 143-215.73F. Funds in the Shallow Draft Navigation
8 Channel Dredging Fund shall be used in accordance with that section.
- 9 (3) Annual reporting by the Department on the use of funds provided to the U.S.
10 Army Corps of Engineers under the Long Term Dredging Memorandum of
11 Agreement. These reports shall be made to the ~~Joint Legislative Commission~~
12 ~~on Governmental Operations, Joint Legislative Oversight Committee on~~
13 Agriculture and Natural and Economic Resources, the Fiscal Research
14 Division, and the Office of State Budget and Management and shall include
15 all of the following:
- 16 a. A list of all projects commenced.
- 17 b. The estimated cost of each project.
- 18 c. The date that work on each project commenced or is expected to
19 commence.
- 20 d. The date that work on each project was completed or is expected to be
21 completed.
- 22 e. The actual cost of each project."

23 24 **COLLABORATORY/GENX**

25 **SECTION 12.2.** Section 13.1(g) of S.L. 2018-5 reads as rewritten:

26 **"SECTION 13.1.(g)** The North Carolina Policy Collaboratory at the University of North
27 Carolina at Chapel Hill (Collaboratory) shall identify faculty expertise, technology, and
28 instrumentation, including mass spectrometers, located within institutions of higher education in
29 the State, including the Universities of North Carolina at Chapel Hill and Wilmington, North
30 Carolina State University, North Carolina A&T State University, Duke University, and other
31 public and private institutions, and coordinate these faculty and resources to conduct nontargeted
32 analysis for PFAS, including GenX, at all public water supply surface water intakes and one
33 public water supply well selected by each municipal water system that operates groundwater
34 wells for public drinking water supplies as identified by the Department of Environmental
35 Quality, to establish a water quality baseline for all sampling sites. The Collaboratory, in
36 consultation with the participating institutions of higher education, shall establish a protocol for
37 the baseline testing required by this subsection, as well as a protocol for periodic retesting of the
38 municipal intakes and additional public water supply wells. No later than ~~December 1, 2019,~~
39 December 1, 2020, Collaboratory shall report the results of such sampling by identifying
40 chemical families detected at each intake to the Environmental Review Commission, the Joint
41 Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the
42 Department of Environmental Quality, the Department of Health and Human Services, and the
43 United States Environmental Protection Agency."

44 45 **SEPTAGE MANAGEMENT PROGRAM PERMITTING TIME LINE AMENDMENTS**

46 **SECTION 12.3.** G.S. 130A-291.1(e2) reads as rewritten:

47 "(e2) A properly completed application for a permit and the annual fee under this section
48 are due by ~~1 January~~ December 15 of each year. The Department shall mail a notice of the annual
49 fees to each permitted septage management firm and each individual who operates a septage
50 treatment or disposal facility prior to ~~1 November~~ October 1 of each calendar year. A late fee in
51 the amount equal to fifty percent (50%) of the annual permit fee under this section shall be

1 submitted when a properly completed application and annual permit fee are not submitted by 4
2 ~~January~~ January 1 following the ~~4 November~~ October 1 notice. The clear proceeds of civil
3 penalties collected pursuant to this subsection shall be remitted to the Civil Penalty and Forfeiture
4 Fund in accordance with G.S. 115C-457.2."

5 6 **SHALLOW DRAFT NAVIGATION CHANNEL DREDGING AND AQUATIC WEED** 7 **FUND AMENDMENTS**

8 **SECTION 12.4.** G.S. 143-215.73F(b) reads as rewritten:

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

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

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

16 ~~(3)~~ (3a) For the compensation of a beach and inlet management project manager with
17 the Division of Coastal Management of the Department of Environmental
18 Quality for the purpose of overseeing all ~~For administrative support of Fund~~
19 operations, limited to one hundred thousand dollars (\$100,000) in each fiscal
20 year.

21 (3b) For administrative support of activities related to beach and inlet management
22 in the State. Funding for the position is limited to ninety nine thousand dollars
23 (\$99,000) in each fiscal year. ~~State, limited to one hundred thousand dollars~~
24 (\$100,000) in each fiscal year.

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

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

32 33 **MOUNT AIRY FUNDING CLARIFICATION**

34 **SECTION 12.5.** Subdivision (2) of Section 13.4 of S.L. 2018-5 reads as rewritten:

35 "(2) One million dollars (\$1,000,000) to the Town of Mount Airy for ~~a water and~~
36 ~~sewer line extension project.~~ water or sewer projects."

37 38 **WATER AND SEWER INFRASTRUCTURE GRANTS**

39 **SECTION 12.6.** Of the funds appropriated by this act to the Division of Water
40 Infrastructure of the Department of Environmental Quality for water and sewer infrastructure
41 grants, the following sums are allocated to the indicated local governments for the 2019-2020
42 fiscal year for various water and sewer infrastructure projects, including asset inventory and
43 assessment:

44 (1) Two hundred thousand dollars (\$200,000) to the Town of Four Oaks.

45 (2) Three million dollars (\$3,000,000) to the Town of Maysville.

46 (3) Five hundred thousand dollars (\$500,000) to the Town of Midland.

47 (4) One hundred thousand dollars (\$100,000) to the Town of Wilson's Mills.

48 (5) One hundred fifty thousand dollars (\$150,000) to the Town of Salemburg.

49 (6) One hundred fifty thousand dollars (\$150,000) to the Town of Bethel.

50 (7) One million dollars (\$1,000,000) to Sampson County.

51

WASTEWATER INFRASTRUCTURE PROJECT

SECTION 12.7. Notwithstanding G.S. 159G-22(b), fifteen million dollars (\$15,000,000) of funds appropriated in this act to the Division of Water Infrastructure for the Wastewater Reserve shall be used to provide a loan to the City of King for a wastewater system. Notwithstanding G.S. 159G-20(21) and G.S. 159G-40(b)(1), the interest rate for the loan shall be zero percent (0%).

INVESTMENT FLEXIBILITY AND RETAINED EARNINGS FOR RIPARIAN BUFFER RESTORATION FUND AND RETAINED EARNINGS FOR ECOSYSTEM RESTORATION FUND

SECTION 12.8.(a) G.S. 147-69.2(a) reads as rewritten:

"(a) This section applies to funds held by the State Treasurer to the credit of each of the following:

...

(17n) The Riparian Buffer Restoration Fund.

...."

SECTION 12.8.(b) G.S. 147-69.2(d) reads as rewritten:

"(d) The State Treasurer may invest funds deposited pursuant to subdivisions (17i), (17j), ~~and (17k)-(17l), (17l), and (17n)~~ of subsection (a) of this section in any of the investments authorized under subdivisions (1) through (6) and subdivision (8) of subsection (b) of this section. The State Treasurer may require a minimum deposit, up to one hundred thousand dollars (\$100,000), and may assess a reasonable fee, not to exceed 15 basis points, as a condition of participation pursuant to this subsection. Fees assessed by the State Treasurer may be used to defray the costs of administering the funds and expenditures authorized under this section. Funds deposited pursuant to this subsection shall remain the funds of the North Carolina Conservation Easement Endowment Fund, the Conservation Grant Fund, the Ecosystem Restoration Fund, the Riparian Buffer Restoration Fund, or the Wildlife Endowment Fund, as applicable, and interest or other investment income earned thereon shall be prorated and credited to the North Carolina Conservation Easement Endowment Fund, the Conservation Grant Fund, the Ecosystem Restoration Fund, the Riparian Buffer Restoration Fund, or the Wildlife Endowment Fund on the basis of the amounts contributed to the respective Funds, figured according to sound accounting principles."

CERTAIN TIMBER SALES/NONREVERT

SECTION 12.9. Section 14.3 of S.L. 2015-241 reads as rewritten:

"**SECTION 14.3.** The Department of ~~Environment and Natural Resources'~~ Environmental Quality's Stewardship Program may retain revenue generated from timber harvesting on the Great Coharie property in the Conservation Grant Endowment Interest Fund ~~(6705)-(Fund Code 64307-6705)~~ for the purpose of restoration and stewardship of that property and these funds are hereby appropriated for that purpose. Any unused portion of this revenue remaining in the Fund on ~~June 30, 2019~~ June 30, 2021, shall revert to the General Fund."

CONSERVATION GRANT FUND CHANGES

SECTION 12.10.(a) G.S. 113A-235(a) is recodified as G.S. 113A-235(a1), and G.S. 113A-232(c) is recodified as G.S. 113A-235(a).

SECTION 12.10.(b) G.S. 113A-232, as amended by subsection (a) of this section, reads as rewritten:

"§ 113A-232. Conservation Grant Fund.

(a) Fund Created. – The Conservation Grant Fund is created within the Department of Environmental Quality. The Fund shall be administered by the Department. ~~The purpose of the Fund is to stimulate the use of conservation easements, to improve the capacity of private~~

1 ~~nonprofit land trust organizations to successfully accomplish conservation projects, to better~~
2 ~~equip real estate related professionals to pursue opportunities for conservation, to increase~~
3 ~~landowner participation in land and water conservation, and to provide an opportunity to leverage~~
4 ~~private and other public monies for conservation easements.~~

5 (a1) Fund Purpose. – The purpose of the Conservation Grant Fund is to stimulate the use
6 of conservation easements, to steward properties held by deed or conservation easement by the
7 State, to improve the capacity of private nonprofit land trust organizations to successfully
8 accomplish conservation projects, to better equip real estate-related professionals to pursue
9 opportunities for conservation, to increase landowner participation in land and water
10 conservation, and to provide an opportunity to leverage private and other public funds for
11 conservation easements.

12 (b) Fund Sources. – The Conservation Grant Fund shall consist of any ~~monies-funds~~
13 appropriated to it by the General Assembly and any ~~monies-funds~~ received from public or private
14 sources. Unexpended ~~monies-funds~~ in the Fund that were appropriated from the General Fund
15 by the General Assembly shall revert at the end of the fiscal year unless the General Assembly
16 otherwise provides. Unexpended ~~monies-funds~~ in the Fund from other sources shall not revert
17 and shall remain available for expenditure in accordance with this Article.

18 (c1) Grant Eligibility. – ~~State-Conservation~~ properties, as described in G.S. 113A-235,
19 State conservation land management agencies, local government conservation land management
20 agencies, and private nonprofit land trust organizations are eligible to receive grants from the
21 Conservation Grant Fund. Private nonprofit land trust organizations must be certified under
22 ~~section-Section~~ 501(c)(3) of the Internal Revenue Code to aid in managing the land.

23 (d) Use of Revenue. – Revenue ~~in and investment income generated by~~ the Conservation
24 Grant Fund may be used only for the following purposes:

25 (1) The ~~administrative~~ costs of the Department in administering the ~~Fund-Fund~~
26 and ~~stewardship~~ program operations.

27 (2) ~~Conservation grants-Expenses~~ related to grants, contracts, and agreements
28 made in accordance with this ~~Article-Article~~, including any of the following:

29 a. ~~Reimbursement~~ for total or partial transaction costs for a donation of
30 real property or an interest in real property from an individual or
31 corporation, when the Department determines either of the following:

32 1. ~~The donor has insufficient financial ability to pay all costs or~~
33 ~~insufficient taxable income to allow these costs to be included~~
34 ~~in the donated value.~~

35 2. ~~The donor has insufficient tax burdens to allow these costs to~~
36 ~~be offset by charitable deductions.~~

37 b. ~~Management support, including initial baseline inventory and~~
38 ~~planning.~~

39 c. ~~Monitoring compliance of conservation easements, the related use of~~
40 ~~riparian buffers, natural areas, and greenways, and the presence of~~
41 ~~ecological integrity.~~

42 d. ~~Education and studies on conservation properties, including~~
43 ~~information materials intended for landowners and education for staff~~
44 ~~and volunteers.~~

45 e. ~~Stewardship of conservation properties.~~

46 f. ~~Transaction costs for recipients, including legal expenses, closing and~~
47 ~~title costs, and unusual direct costs, such as overnight travel.~~

48 g. ~~Administrative costs.~~

49 h. ~~Award of grants under G.S. 113A-234.~~

50 i. ~~Legal expenses incurred in protecting and seeking remedies for~~
51 ~~damages to Department-held conservation properties.~~

j. Acquisition of conservation properties and easements.

- (3) To establish an endowment account, the interest from which will be used for a purpose described in ~~G.S. 113A-233(a)~~, this subsection. The principal of this account shall not be used for the purchase of real property or an interest in real property."

SECTION 12.10.(c) G.S. 113A-233 is repealed.

SECTION 12.10.(d) G.S. 113A-234 reads as rewritten:

"§ 113A-234. Administration of grants.

(a) Grant Procedures and Criteria. – The Secretary of the Department of Environmental Quality shall establish the procedures and criteria for awarding grants from the Conservation Grant Fund. The criteria shall focus grants on those areas, approaches, and techniques that are likely to provide the optimum positive effect on environmental protection. The Secretary shall make the final decision on the award of grants and shall announce the award publicly in a timely manner.

...."

SECTION 12.10.(e) G.S. 113A-235, as amended by subsection (a) of this section, reads as rewritten:

"§ 113A-235. Conservation easements, properties eligible for funding.

(a) Property Eligibility. – In order for real property or an interest in real property to be ~~the subject of~~ eligible for a grant under this Article, Article as a conservation property, the real property or interest in real property must meet all of the following conditions:

...

(a1) Acquisition and Protection of Conservation ~~Easements. Properties.~~ – Ecological systems and appropriate public use of these systems may be protected through conservation easements, including conservation agreements under Article 4 of Chapter 121 of the General Statutes, the Conservation and Historic Preservation Agreements Act, and conservation easements under the Conservation Reserve Enhancement Program. The Department may acquire conservation properties and easements by purchase, gift, or assignment, in accordance with G.S. 146-22. The Department of Environmental Quality shall work cooperatively with State and local agencies and qualified nonprofit organizations to monitor compliance with conservation easements and conservation agreements and to ensure the continued viability of the protected ecosystems. Soil and water conservation districts established under Chapter 139 of the General Statutes may acquire easements under the Conservation Reserve Enhancement Program by purchase or gift.

...."

FUNDS FOR BERNARD ALLEN MEMORIAL EMERGENCY DRINKING WATER FUND

SECTION 12.12. Funds appropriated to the Division of Water Infrastructure of the Department of Environmental Quality for the 2018-2019 fiscal year by Section 13.1(d) of S.L. 2018-5 and deposited into the PFAS Recovery Fund may be used for the purposes set forth in G.S. 87-98.

REDIRECT PFAS RECOVERY FUNDS

SECTION 12.13. Funds appropriated to the Division of Water Infrastructure of the Department of Environmental Quality for the 2018-2019 fiscal year by Section 13.1(d) of S.L. 2018-5 and deposited into the PFAS Recovery Fund shall be transferred and reallocated for other projects as follows:

- (1) Eight hundred thirty-seven thousand seven hundred fifty-five dollars (\$837,755) to the Compensatory Mitigation Fund for the purpose of dissolving the conservation easement associated with the Little Alamance Creek stream

1 restoration project in Alamance County and held by the State of North
2 Carolina. Any additional funds needed to dissolve the conservation easement
3 shall be provided by the Department of Environmental Quality from funds
4 available to the Department.

5 (2) Two hundred thousand dollars (\$200,000) to the Oil or Other Hazardous
6 Substances Pollution Protection Fund established by G.S. 143-215.87 to be
7 used by the Department of Environmental Quality for investigation and
8 remediation of discharges of petroleum products into waters of the State that
9 are ineligible for funding from programs addressing leaking underground
10 storage tanks.

11 (3) One hundred thousand dollars (\$100,000) to provide a directed grant to
12 MountainTrue for recreational water quality testing.

13 (4) Five hundred thousand dollars (\$500,000) to provide a directed grant to the
14 Town of Maysville for construction of a public water supply well to replace a
15 contaminated well.
16

17 DRY CLEANING SOLVENT PROGRAM EXTENSION

18 SECTION 12.14.(a) G.S. 143-215.104A reads as rewritten:

19 "§ 143-215.104A. Title; sunset.

20 This part is the "Dry-Cleaning Solvent Cleanup Act of 1997" and may be cited by that name.
21 ~~Except as otherwise provided in this section, this~~ This part expires ~~1 January 2022~~ January 1,
22 2032, except with respect to all of the following:

23 (1) G.S. 143-215.104K ~~is not repealed~~ does not expire to the extent that it applies
24 to liability arising from dry-cleaning solvent contamination described in a
25 Dry-Cleaning Solvent Assessment Agreement or Dry-Cleaning Solvent
26 Remediation Agreement entered into by the Environmental Management
27 Commission pursuant to G.S. 143-215.104H and G.S. 143-215.104I.

28 (2) Any Dry-Cleaning Solvent Assessment Agreement or Dry-Cleaning Solvent
29 Remediation Agreement in force as of ~~1 January 2012~~ January 1, 2032, shall
30 continue to be governed by the provisions of Part 6 of Article 21A of Chapter
31 143 of the General Statutes as though those provisions had not been repealed.

32 (3) G.S. 143-215.104D(b)(2) ~~is not repealed; does not expire;~~ rules adopted by
33 the Environmental Management Commission pursuant to
34 G.S. 143-215.104D(b)(2) shall continue in effect; and those rules may be
35 enforced pursuant to G.S. 143-215.104P, 143-215.104Q, and 143-215.104R,
36 which shall remain in effect for that purpose."

37 SECTION 12.14.(b) G.S. 105-164.44E reads as rewritten:

38 "§ 105-164.44E. Transfer to the Dry-Cleaning Solvent Cleanup Fund.

39 (a) Transfer. – At the end of each quarter, the Secretary must transfer to the Dry-Cleaning
40 Solvent Cleanup Fund established under G.S. 143-215.104C an amount equal to fifteen percent
41 (15%) of the net State sales and use taxes collected under G.S. 105-164.4(a)(4) during the
42 previous fiscal year, as determined by the Secretary based on available data.

43 (b) Sunset. – This section is repealed effective ~~July 1, 2020~~ July 1, 2030."

44 SECTION 12.14.(c) G.S. 105-187.35 reads as rewritten:

45 "§ 105-187.35. Sunset.

46 This Article is repealed effective ~~January 1, 2020~~ January 1, 2030."
47

48 WATER/WASTEWATER PUBLIC ENTERPRISE REFORM

49 SECTION 12.15.(a) G.S. 159G-20 reads as rewritten:

50 "§ 159G-20. Definitions.

51 The following definitions apply in this Chapter:

1 ...
 2 (4a) Distressed unit. – A public water system or wastewater system operated by a
 3 local government unit exhibiting signs of failure to identify or address those
 4 financial or operating needs necessary to enable that system to become or to
 5 remain a local government unit generating sufficient revenues to adequately
 6 fund management and operations, personnel, appropriate levels of
 7 maintenance, and reinvestment that facilitate the provision of reliable water
 8 or wastewater services.

9 ...
 10 (13) Local government unit. – Any of the following:
 11 a. A city as defined in G.S. 160A-1.
 12 b. A county.
 13 c. A consolidated city-county as defined in G.S. 160B-2.
 14 ~~A county water and sewer district created pursuant to Article 6 of~~
 15 ~~Chapter 162A of the General Statutes.~~Any of the following entities
 16 created pursuant to Chapter 162A of the General Statutes:
 17 1. A water and sewer authority created pursuant to Article 1.
 18 2. A metropolitan water district created pursuant to Article 4.
 19 3. A metropolitan sewerage district created pursuant to Article 5.
 20 4. A metropolitan water and sewerage district created pursuant to
 21 Article 5A.
 22 5. A county water and sewer district created pursuant to Article
 23 6.
 24 e. ~~A metropolitan sewerage district or a metropolitan water district~~
 25 ~~created pursuant to Article 4 of Chapter 162A of the General Statutes.~~
 26 f. ~~A water and sewer authority created under Article 1 of Chapter 162A~~
 27 ~~of the General Statutes.~~
 28 g. A sanitary district created pursuant to Part 2 of Article 2 of Chapter
 29 130A of the General Statutes.
 30 h. A joint agency created pursuant to Part 1 or Part 5 of Article 20 of
 31 Chapter 160A of the General Statutes.
 32 i. A joint agency that was created by agreement between two cities and
 33 towns to operate an airport pursuant to G.S. 63-56 and that provided
 34 drinking water and wastewater services off the airport premises before
 35 1 January 1995.

36 ...
 37 (22a) Viable Utility Reserve. – The Viable Utility Reserve established in
 38 G.S. 159G-22 as an account in the Water Infrastructure Fund.

39"

40 **SECTION 12.15.(b)** G.S. 159G-22 is amended by adding two new subsections to
 41 read:

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

47 (i) Viable Utility Accounts. – The Department is directed to establish accounts within
 48 the Viable Utility Reserve to administer grants for public water systems or wastewater systems
 49 owned by local government units."

50 **SECTION 12.15.(c)** G.S. 159G-30 reads as rewritten:
 51 **"§ 159G-30. Department's responsibility.**

1 The Department, through the ~~Division of Water Infrastructure, Division,~~ administers ~~loans~~
2 the following:

- 3 (1) Loans and grants made from the CWSRF, the DWSRF, the Wastewater
4 Reserve, and the Drinking Water Reserve and shall administer the Reserve.
5 (2) The award of funds by the State Water Infrastructure Authority from the
6 Community Development Block Grant program to local government units for
7 infrastructure projects.
8 (3) Grants made from the Viable Utility Reserve."

9 **SECTION 12.15.(d)** G.S. 159G-31 is amended by adding a new subsection to read:

10 "(d) A local government unit is eligible to apply for a grant from the Viable Utility
11 Reserve."

12 **SECTION 12.15.(e)** G.S. 159G-32 is amended by adding a new subsection to read:

13 "(d) Viable Utility Reserve. – The Department is authorized to make grants from the
14 Viable Utility Reserve to do any of the following:

- 15 (1) Provide physical interconnection and extension of public water or wastewater
16 infrastructure to provide regional service.
17 (2) Rehabilitate existing public water or wastewater infrastructure.
18 (3) Decentralize an existing public water system or wastewater system into
19 smaller viable parts.
20 (4) Fund a study of any one or more of the following:
21 a. Rates.
22 b. Asset inventory and assessment.
23 c. Merger and regionalization options.
24 (5) Fund other options deemed feasible which results in local government units
25 generating sufficient revenues to adequately fund management and
26 operations, personnel, appropriate levels of maintenance, and reinvestment
27 that facilitate the provision of reliable water or wastewater services."

28 **SECTION 12.15.(f)** Article 2 of Chapter 159G of the General Statutes is amended
29 by adding a new section to read:

30 **"§ 159G-34.5. Grant types available from Viable Utility Reserve.**

31 (a) The Department is authorized to make the following types of grants from the Viable
32 Utility Reserve:

- 33 (1) Asset assessment and rate study grant. – An asset inventory and assessment
34 grant is available to inventory the existing public water or wastewater system,
35 or both, document the condition of the inventoried infrastructure, and conduct
36 a rate study to determine a rate structure sufficient to prevent the local
37 government unit from becoming a distressed unit.
38 (2) Merger/regionalization feasibility grant. – A merger/regionalization grant is
39 available to determine the feasibility of consolidating the management of
40 multiple water or wastewater systems into a single operation or to provide
41 regional treatment or water supply and the best way of carrying out the
42 consolidation or regionalization. The Department shall not make a grant under
43 this subdivision for a merger or regionalization proposal that would result in
44 a new surface water transfer regulated under G.S. 143-215.22L.
45 (3) Project grant. – A project grant is available for a portion of the costs of a public
46 water system or wastewater system project as defined in G.S. 159G-32(d).

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

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

3 **SECTION 12.15.(g)** G.S. 159G-35 reads as rewritten:

4 "**§ 159G-35. Criteria for loans and grants.**

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

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

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

22 **SECTION 12.15.(h)** G.S. 159G-36 reads as rewritten:

23 "**§ 159G-36. Limits on loans and grants.**

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

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

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

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

- 37 (1) The amount of loans awarded for a fiscal year may not exceed three million
38 dollars (\$3,000,000).
- 39 (2) The amount of loans awarded for three consecutive fiscal years for targeted
40 interest rate projects may not exceed three million dollars (\$3,000,000).
- 41 (3) The amount of project grants awarded for three consecutive fiscal years may
42 not exceed three million dollars (\$3,000,000).
- 43 (4) The amount of merger/regionalization feasibility grants awarded for three
44 consecutive fiscal years may not exceed fifty thousand dollars (\$50,000).
- 45 (5) The amount of asset inventory and assessment grants awarded for three
46 consecutive fiscal years may not exceed one hundred fifty thousand dollars
47 (\$150,000).

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

1 **SECTION 12.15.(i)** G.S. 159G-37 reads as rewritten:

2 "**§ 159G-37. Application to CWSRF, Wastewater Reserve, DWSRF, and Drinking Water**
3 **Reserve, Reserve, and Viable Utility Reserve.**

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

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

21 **SECTION 12.15.(j)** G.S. 159G-39 is amended by adding a new subsection to read:

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

27 **SECTION 12.15.(k)** Article 2 of Chapter 159G of the General Statutes is amended
28 by adding a new section to read:

29 "**§ 159G-45. Assessment of local government units; assistance.**

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

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

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

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

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

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

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

34 **"§ 162A-860. Merger of units.**

35 (a) Any unit may merge with any other unit, any county, any city, any consolidated
36 city-county, any sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the
37 General Statutes, any joint agency created pursuant to Part 1 or Part 5 of Article 20 of Chapter
38 160A of the General Statutes, or any joint agency that was created by agreement between two
39 cities and towns to operate an airport pursuant to G.S. 63-56 and that provided drinking water
40 and wastewater services off the airport premises before January 1, 1995, if the merger is a
41 condition of receiving a grant from the Viable Utility Reserve as provided in Article 2 of Chapter
42 159G of the General Statutes. The Environmental Management Commission shall adopt a
43 resolution transferring the assets, liabilities, and other obligations to the entity with which the
44 unit is being merged and dissolving the unit as provided for in this Article.

45 (b) Any unit may merge with any other unit, any county, any city, any consolidated
46 city-county, any sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the
47 General Statutes, any joint agency created pursuant to Part 1 or Part 5 of Article 20 of Chapter
48 160A of the General Statutes, or any joint agency that was created by agreement between two
49 cities and towns to operate an airport pursuant to G.S. 63-56 and that provided drinking water
50 and wastewater services off the airport premises before January 1, 1995, on approval by the
51 Environmental Management Commission, upon consultation with the Department of

1 Environmental Quality and the Local Government Commission. The Environmental
2 Management Commission may adopt a resolution transferring the assets, liabilities, and other
3 obligations to the entity with which the unit is being merged and dissolving the unit as provided
4 for in this Article, if the Environmental Management Commission deems the merger in the best
5 interest of the people of the State.

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

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

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

11 (3) The jurisdiction of the units are contiguous.

12 (4) The unit to be merged and dissolved does not directly provide sewerage
13 services to any customers.

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

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

17 **"§ 162A-865. Dissolution of units.**

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

23 (b) Any unit may be dissolved in order to merge that unit with any other unit, any county,
24 any city, any consolidated city-county, any sanitary district created pursuant to Part 2 of Article
25 2 of Chapter 130A of the General Statutes, any joint agency created pursuant to Part 1 or Part 5
26 of Article 20 of Chapter 160A of the General Statutes, or any joint agency that was created by
27 agreement between two cities and towns to operate an airport pursuant to G.S. 63-56 and that
28 provided drinking water and wastewater services off the airport premises before January 1, 1995,
29 and establish a new entity created under the General Statutes, on approval by the Environmental
30 Management Commission, upon consultation with the Department of Environmental Quality and
31 the Local Government Commission. The Environmental Management Commission may adopt a
32 resolution transferring the assets, liabilities, and other obligations to the new entity and dissolving
33 the unit as provided for in this Article, if the Environmental Management Commission deems the
34 merger in the best interest of the people of the State.

35 **"§ 162A-870. Effective date of merger or dissolution.**

36 Upon the adoption of a resolution of merger or dissolution by the Environmental
37 Management Commission as provided in this Article, the effective date for merger and
38 dissolution shall be fixed as of June 30 following the adoption of the resolution or the second
39 June 30 following adoption of the resolution.

40 **"§ 162A-875. Effect of merger or dissolution.**

41 (a) Upon adoption of the resolution of merger or dissolution by the Environmental
42 Management Commission, all of the following shall apply on the effective date set forth in the
43 resolution:

44 (1) All property, real, personal, and mixed, including accounts receivable,
45 belonging to the dissolving unit shall be transferred, disposed of, or otherwise
46 accounted for as provided in the resolution of merger or dissolution.

47 (2) All judgments, liens, rights of liens, and causes of action of any nature in favor
48 of the dissolving unit shall vest in and remain and inure to the benefit of the
49 merged district.

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

27 **SECTION 12.15.(m)** Article 20 of Chapter 160A of the General Statutes is amended
28 by adding a new Part to read:

29 "Part 5. Water and Wastewater Systems.

30 "§ 160A-481.1. Definitions.

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

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

35 "§ 160A-481.2. Interlocal cooperation authorized.

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

40 **SECTION 12.15.(n)** The Department of Environmental Quality shall study the
41 statutes and rules governing subbasin transfers and make recommendations as to whether the
42 statutes and rules should be amended. The study shall specifically examine whether transfers of
43 water between subbasins within the same major river basin should continue to be required to
44 comply with all of the same requirements under G.S. 143-215.22L as transfers of water between
45 major river basins. In conducting this study, the Department shall consider whether the costs of
46 complying with specific requirements, including financial costs and time, are justified by the
47 benefits of the requirements, including the production of useful information and public notice
48 and involvement. No later than October 1, 2019, the Department of Environmental Quality shall
49 report its findings and recommendations to the Environmental Review Commission.

50 **SECTION 12.15.(o)** The Treasurer and Secretary of State shall study and make
51 recommendations as to the feasibility of authorizing historical charters for units of local

1 government that have become, or are on the brink of becoming, defunct. The study shall
2 specifically examine whether these historical charters are needed, the impact of these charters on
3 the bond rating of the State and its political subdivisions, and the consequences of these historical
4 charters. No later than March 1, 2020, the Treasurer and Secretary of State shall report their
5 findings and recommendations to the General Assembly.

6 **SECTION 12.15.(p)** Subsections (a) through (m) of this section become effective
7 October 1, 2019. The remainder of this section is effective when it becomes law.

8 9 **COMMERCIAL FISHING LICENSE BUYBACK**

10 **SECTION 12.16.(a)** Notwithstanding G.S. 113-175.1(c) or any other provision of
11 law to the contrary, the Division of Marine Fisheries of the Department of Environmental Quality
12 may use up to one million dollars (\$1,000,000) in each fiscal year of the 2019-2021 fiscal
13 biennium from the Commercial Fishing Fund (Fund Codes 24318-2353 or 24318-2358) to
14 implement a voluntary fisheries license buyback program for holders of underutilized
15 commercial fishing licenses.

16 **SECTION 12.16.(b)** The Division of Marine Fisheries shall report to the Joint
17 Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the
18 Fiscal Research Division as follows:

- 19 (1) No later than September 1, 2019, on its plan for the voluntary license buyback
20 program, with consideration of a reverse auction model.
- 21 (2) No later than April 15, 2020, on interim progress in implementing the buyback
22 program, including any required legislative changes.
- 23 (3) No later than September 1, 2020, and September 1, 2021, on activities and
24 results of the buyback program during the prior fiscal year.

25 26 **DEQ ORGANIZATIONAL LAYER REFORM**

27 **SECTION 12.17.(a)** Definition. – For purposes of this section, "organizational
28 layers" refer to the number of levels in a Department's hierarchy, from the highest to the lowest
29 position.

30 **SECTION 12.17.(b)** Directive. – The Department of Environmental Quality shall
31 examine its organizational structure as recommended in the Program Evaluation Division report
32 "Most Departments' Spans of Control and Number of Organizational Layers Do Not Meet
33 Recommended Levels" (December 12, 2016) (the PED Report). Based on this examination, and
34 on the benchmark maximum of seven organizational layers recommended by the PED Report,
35 the Department shall implement the following reforms:

- 36 (1) Eliminate one organizational layer no later than June 30, 2020.
- 37 (2) Eliminate a second organizational layer no later than June 30, 2021.

38 **SECTION 12.17.(c)** Study. – The Department shall report to the Joint Legislative
39 Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal
40 Research Division regarding its implementation of this section no later than March 1, 2020, (with
41 respect to the directive set forth in subdivision (b)(1) of this section) and March 1, 2021 (with
42 respect to the directive set forth in subdivision (b)(2) of this section).

43 44 **IMPUTED RENT PILOT PROGRAM**

45 **SECTION 12.18.(a)** Notwithstanding G.S. 143C-4-3.1(e), of the funds appropriated
46 from the State Capital and Infrastructure Fund to the Department of Environmental Quality, the
47 sum of one million dollars (\$1,000,000) in each fiscal year of the fiscal biennium shall be
48 allocated to the Imputed Rent Pilot Program, as established by this section.

49 **SECTION 12.18.(b)** There is established the Imputed Rent Pilot Program in which
50 the Department of Environmental Quality shall pay to the State Capital and Infrastructure Fund
51 the imputed rent value of the space occupied by the Department of Environmental Quality in

1 State-owned buildings. By September 1, 2019, the Department of Administration shall determine
2 the amount of square footage of the space occupied by the Department of Environmental Quality
3 in State-owned buildings and shall calculate the imputed rent value per square foot by dividing
4 one million dollars (\$1,000,000) by this amount. Quarterly thereafter, the Department of
5 Administration shall redetermine the square footage of the space occupied by the Department of
6 Environmental Quality in State-owned buildings.

7 **SECTION 12.18.(c)** By October 1, 2019, and quarterly thereafter, the Department
8 of Environmental Quality shall pay to the State Capital and Infrastructure Fund the imputed rent
9 value of the space occupied by the Department of Environmental Quality in State-owned
10 buildings. This imputed rent value shall be based on the imputed rent value per square foot, as
11 calculated by the Department of Administration pursuant to subsection (b) of this section,
12 multiplied by the square footage of the space occupied by the Department of Environmental
13 Quality in State-owned buildings, as determined by the Department of Administration in the
14 previous month.

15 **SECTION 12.18.(d)** If, during the Imputed Rent Pilot Program, the Department of
16 Environmental Quality reduces the amount of square footage that it occupies in State-owned
17 buildings and thereby reduces the amount of its quarterly payments under this section, it may
18 spend any savings in its discretion on a nonrecurring basis.

19 **SECTION 12.18.(e)** During the Imputed Rent Pilot Program, the Office of State
20 Budget and Management, when allocating funds under G.S. 143C-8-13, shall prioritize any
21 repairs and renovations that would facilitate the Department of Environmental Quality reducing
22 the amount of square footage that it occupies in State-owned buildings.

23 **SECTION 12.18.(f)** The Department of Environmental Quality shall submit the
24 following reports on the Imputed Rent Pilot Program to the chairs of the Senate Appropriations
25 Committee, the chairs of the House of Representatives Appropriations Committee, the chairs of
26 the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the
27 chairs of the House of Representatives Appropriations Committee on Agriculture and Natural
28 and Economic Resources, the Joint Legislative Oversight Committee on Agriculture and Natural
29 and Economic Resources, and the Joint Legislative Program Evaluation Oversight Committee:

- 30 (1) By September 30, 2020, an interim report on the previous fiscal year.
- 31 (2) By September 30, 2021, a final report on the previous fiscal year.

32 **SECTION 12.18.(g)** The Imputed Rent Pilot Program shall terminate on June 30,
33 2021.

34 **DELAY ANIMAL WASTE GENERAL PERMITS/STUDY**

35 **SECTION 12.19.(a)** Notwithstanding 15A NCAC 02T .0111(e), the Department of
36 Environmental Quality, pursuant to the powers relative to general permits and to permits for
37 facilities not discharging to the surface waters of the State that are granted to the Environmental
38 Management Commission under G.S. 143-215.1 and G.S. 143-215.10C and delegated by the
39 Commission to the Department, shall extend the expiration of general permits AWG100000
40 (Swine), AWG200000 (Cattle), and AWG300000 (Poultry) until October 1, 2020. Subject to the
41 provisions of 40 Code of Federal Regulations Part 123 and of subsections (g) and (h) of 15A
42 NCAC 02T .0111, the Department of Environmental Quality shall extend the expiration of
43 individual certificates of coverage issued under these general permits until October 1, 2020.

44 **SECTION 12.19.(b)** The Environmental Review Commission shall study the
45 Department of Environmental Quality's process for the development and adoption of general
46 permits for animal waste management systems for swine, cattle, and poultry operations. The
47 study shall specifically include consideration of whether the general permit process should
48 comply with the Administrative Procedure Act, Chapter 150B of the General Statutes. In
49 conducting this study, the Environmental Review Commission shall seek input from the
50 Department of Environmental Quality; the Department of Agriculture and Consumer Services;

1 the Office of Administrative Hearings; the College of Agriculture and Life Sciences at North
2 Carolina State University; representatives of swine, cattle, and poultry farmers; and
3 representatives of environmental protection and natural resource conservation groups. The
4 Environmental Review Commission shall report its findings and recommendations, including
5 any legislative proposals, to the 2020 Regular Session of the 2019 General Assembly upon its
6 convening.

7 **SECTION 12.19.(c)** This section is effective when it becomes law.
8

9 **REPURPOSE PRE-REGULATORY LANDFILL FUNDS AMENDMENT**

10 **SECTION 12.20.** Section 13.2 of S.L. 2018-5, as amended by Section 4.2 of S.L.
11 2018-97, reads as rewritten:

12 **"SECTION 13.2.** Notwithstanding G.S. 130A-310.11(b), up to two million dollars
13 (\$2,000,000) of the funds credited to the Inactive Hazardous Sites Cleanup Fund under
14 G.S. 105-187.63 for the assessment and remediation of pre-1983 landfills shall instead be used
15 by the Department of Environmental Quality's Division of Waste Management to provide a
16 matching grant to Charlotte Motor Speedway, ~~LLC-LLC,~~ (CMS) for the purpose of remediation
17 activities at the Charlotte Motor Speedway in Cabarrus County. The Division shall provide one
18 dollar (\$1.00) for every ~~two non-State dollars (\$2.00)~~ one non-State dollar (\$1.00) provided in
19 kind or otherwise, up to a maximum of two million dollars (\$2,000,000) for the matching grant
20 described in this section. CMS may allocate all or a portion of the grant provided by this section
21 to an entity that controls CMS or an entity controlled by CMS. Entities receiving such an
22 allocation shall be considered a subgrantee as defined in ~~143C-6-23.~~ G.S. 143C-6-23."
23

24 **REGIONAL WATER AND SEWER FUNDING**

25 **SECTION 12.21.(a)** Section 14.20A of S.L. 2016-94, as amended by Section 1 of
26 S.L. 2017-17, reads as rewritten:

27 **"REGIONAL WATER AND SEWER FUNDING**

28 **"SECTION 14.20A.(a)** Of the funds appropriated to the Department of Environmental
29 Quality, Division of Water Infrastructure, by this act, the sum of fourteen million five hundred
30 forty-eight thousand nine hundred eighty-one dollars (\$14,548,981) shall be used to fund
31 interconnection, extension of water and sewer lines, and related water and wastewater system
32 modification and expansion involving the Counties of Rockingham and Guilford and the
33 municipalities of Oak Ridge, Stokesdale, Summerfield, Reidsville, Madison, and Mayodan. Of
34 the funds allocated by this section, no more than twenty-five percent (25%) of the funds shall be
35 used for Guilford County and may include one or more of the municipalities listed in this section
36 located in Guilford County, and no more than seventy-five percent (75%) shall be used for
37 Rockingham County and may include one or more of the municipalities listed in this section
38 located in Rockingham County. The funds allocated by this section may be spent for planning,
39 design, survey, real property acquisition, construction, repair, and any other activities necessary
40 to improve the performance and reliability and expand the capacity and service footprint of
41 participating water and wastewater systems in Rockingham and Guilford Counties. The Counties
42 of Rockingham and Guilford and the municipalities participating in the interconnection and
43 extension of water and sewer lines within each county funded by this section shall agree on the
44 use of the funds allocated by this section through any combination of (i) interlocal agreements
45 under Article 20 of Chapter 160A of the General Statutes that specify, at a minimum, the
46 ownership of the water ~~lines-lines,~~ sewer lines, and related infrastructure funded by this section
47 and long-term maintenance, repair, and replacement responsibility or (ii) one or more regional
48 water and sewer authorities under Article 1 of Chapter 162A of the General Statutes.

49 **"SECTION 14.20A.(b)** Notwithstanding G.S. 143C-6-23(f1)(1) and G.S. 143C-1-2, funds
50 allocated by this section shall be held in reserve by the Office of State Budget and Management
51 and the allocations to each County shall be released when the County and one or more of the

1 municipalities specified in subsection (a) of this section reach agreement on the funds allocated
2 to that County by this section through interlocal agreements or the formation of regional water
3 and sewer authorities or a combination of interlocal agreements and regional water and sewer
4 authorities. Funds not spent or encumbered by June 30, ~~2020, 2021~~, shall be returned by the local
5 governments or regional water and sewer authority to the Office of State Budget and
6 Management and revert to the General Fund."

7 **SECTION 12.21.(b)** This section becomes effective June 30, 2019.

8 9 **DEQ GRANTS-IN-AID**

10 **SECTION 12.22.(a)** Section 13.9 of S.L. 2018-5, as amended by Section 2.9 of S.L.
11 2018-138, reads as rewritten:

12 **"DEQ GRANT-IN-AID GRANTS-IN-AID**

13 "SECTION 13.9.(a) Of the funds appropriated in this act to the Department of
14 Environmental Quality, Division of Water Resources, the ~~sum of five million dollars~~
15 ~~(\$5,000,000) shall be used following~~ sums are allocated to the indicated recipients for the
16 indicated storm resiliency purposes:

17 (1) Three million four hundred thousand dollars (\$3,400,000) to provide a
18 grant-in-aid to Resource Institute, Inc., for the purpose of working with local
19 governments on Topsail Island and engineering firms to develop, plan, or
20 implement projects in or benefitting the Towns of Surf City and Topsail Beach
21 intended to mitigate the impacts of future hurricanes on ~~Topsail Island~~ those
22 local governments and their adjoining coastlines.

23 (2) One million six hundred thousand dollars (\$1,600,000) to the Town of North
24 Topsail Beach for hurricane recovery projects in or benefitting the Town and
25 its adjoining coastline.

26 "SECTION 13.9.(b) On or before October 1, 2019, ~~Resource Institute, Inc., the recipients~~
27 of allocations under this section shall submit a report to the Joint Legislative Oversight
28 Committee on Agriculture and Natural and Economic Resources and the Fiscal Research
29 Division. The report shall contain at least all of the following:

- 30 (1) A list of participating local governments and engineering firms and other
31 partners in projects funded under this section.
32 (2) A list of projects funded on Topsail Island, including a summary of the costs
33 and the scope of the project.
34 (3) A summary of the emerging techniques developed and implemented as a result
35 of the efforts of the collaboration between local governments, engineering
36 firms, and Resource Institute, Inc.
37 (4) Documentation of the impact on the resilience of beach nourishment projects
38 and the number of beach nourishment projects assisted."

39 **SECTION 12.22.(b)** This section becomes effective June 30, 2019.

40 41 **PART XIII. LABOR [RESERVED]**

42 43 **PART XIV. NATURAL AND CULTURAL RESOURCES**

44 45 **DNCR REPORT CHANGES**

46 **SECTION 14.1.(a)** Part 1 of Article 2 of Chapter 143B of the General Statutes is
47 amended by adding a new section to read:

48 **"§ 143B-53.10. Annual report on fees.**

49 The Department of Natural and Cultural Resources shall submit a report by October 15 of
50 each year to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic
51 Resources on fees charged in the previous fiscal year at all historic sites, museums, aquariums,

1 and State parks and at the North Carolina Zoological Park and the U.S.S. North Carolina
2 Battleship. The report shall include all of the following:

- 3 (1) For each site, the amount and type of fees charged.
- 4 (2) For each site, the total amount collected by type of fee and how the funds were
5 expended.
- 6 (3) Visitor information for each site, including a breakdown of fee-paying visitors
7 and visitors whose fees were waived, such as visitors in school groups.
- 8 (4) Any fee changes and a justification for any increases or decreases.
- 9 (5) Number of days the site was open to visitors.
- 10 (6) Plans, if known, to change fees in the upcoming year."

11 **SECTION 14.1.(b)** G.S. 121-7.3 reads as rewritten:

12 **"§ 121-7.3. Admission and related activity fees and operating hours.**

13 The Department of Natural and Cultural Resources may charge a reasonable admission and
14 related activity fee to the Roanoke Island Festival Park and any historic site or museum
15 administered by the Department. Admission and related activity fees collected under this section
16 are receipts of the Department and shall be deposited in the appropriate special fund. The revenue
17 collected pursuant to this section shall be used only for the individual site or venue where the
18 receipts were generated. The Secretary may adopt rules necessary to carry out the provisions of
19 this section. The Department is exempt from the requirements of Chapter 150B of the General
20 Statutes and G.S. 12-3.1 when adopting, amending, or repealing rules for operating hours and
21 admission fees or related activity fees at the Roanoke Island Festival Park, historic sites, and
22 museums. ~~The Department shall submit a report to the Joint Legislative Oversight Committee on~~
23 ~~Agriculture and Natural and Economic Resources and the Fiscal Research Division on the~~
24 ~~amount and purpose of a fee change within 30 days following its effective date."~~

25 **SECTION 14.1.(c)** G.S. 143B-71 reads as rewritten:

26 **"§ 143B-71. Tryon Palace Commission – creation, ~~powers~~ powers, and duties.**

27 There is hereby created the Tryon Palace Commission of the Department of Natural and
28 Cultural Resources with the power and duty to adopt, ~~amend~~ amend, and rescind rules ~~and~~
29 ~~regulations~~ concerning the restoration and maintenance of the Tryon Palace complex, and with
30 other powers and duties as provided in Article 2 of Chapter 121 of the General ~~Statutes of North~~
31 ~~Carolina, Statutes~~, including the authority to charge reasonable admission and related activity
32 fees. The Commission is exempt from the requirements of Chapter 150B of the General Statutes
33 and G.S. 12-3.1 when adopting, amending, or repealing rules for operating hours and admission
34 fees or related activity fees at Tryon Palace Historic Sites and Gardens. ~~The Commission shall~~
35 ~~submit a report to the Joint Legislative Oversight Committee on Agriculture and Natural and~~
36 ~~Economic Resources and the Fiscal Research Division on the amount and purpose of a fee change~~
37 ~~within 30 days following its effective date."~~

38
39 **U.S.S. NORTH CAROLINA BATTLESHIP COMMISSION DYNAMIC PRICING**
40 **CONFORMING CHANGE AND RULE-MAKING EXEMPTION**

41 **SECTION 14.2.(a)** G.S. 143B-73 reads as rewritten:

42 **"§ 143B-73. U.S.S. North Carolina Battleship Commission – creation, powers, and duties.**

43 There is hereby created the U.S.S. North Carolina Battleship Commission of the Department
44 of Natural and Cultural Resources with the power and duty to adopt, amend, and rescind rules
45 ~~and regulations~~ under and not inconsistent with the laws of this State necessary in carrying out
46 the provisions and purposes of this ~~Part~~ Part, including the following:

- 47 (1) The U.S.S. North Carolina Battleship Commission is authorized and
48 empowered to adopt such rules ~~and regulations~~ not inconsistent with the
49 management responsibilities of the Secretary of the Department provided by
50 Chapter 143A of the General Statutes and laws of this State and this Chapter
51 that may be necessary and desirable for the operation and maintenance of the

1 U.S.S. North Carolina as a permanent memorial and exhibit commemorating
 2 the heroic participation of the men and women of North Carolina in the
 3 prosecution and victory of the Second World War and for the faithful
 4 performance and fulfillment of its duties and obligations.

5 (2) The U.S.S. North Carolina Battleship Commission shall have the power and
 6 duty to charge reasonable admission and related activity fees for admission to
 7 the ship and to establish standards and adopt rules ~~and regulations: (i)~~
 8 ~~establishing and providing for a proper charge for admission to the ship; and~~
 9 ~~(ii) for the maintenance and operation of the ship as a permanent memorial~~
 10 ~~and exhibit.~~

11 (3) The Commission shall adopt rules ~~and regulations~~ consistent with the
 12 provisions of this Chapter. The Commission is exempt from the requirements
 13 of Chapter 150B of the General Statutes and G.S. 12-3.1 when adopting,
 14 amending, or repealing rules for operating hours and admission fees or related
 15 activity fees at the U.S.S. North Carolina Battleship. ~~The Commission shall~~
 16 ~~submit a report to the Joint Legislative Oversight Committee on Agriculture~~
 17 ~~and Natural and Economic Resources and the Fiscal Research Division on the~~
 18 ~~amount and purpose of a fee change within 30 days following its effective~~
 19 ~~date."~~

20 **SECTION 14.2.(b)** G.S. 150B-1(d) reads as rewritten:

21 "**§ 150B-1. Policy and scope.**

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

24 ...

25 (23) The Department of Natural and Cultural Resources with respect to operating
 26 hours, admission fees—fees, or related activity fees at historic sites and
 27 museums pursuant to G.S. 121-7.3.

28 (24) Tryon Palace Commission with respect to operating hours, admission fees
 29 fees, or related activity fees pursuant to G.S. 143B-71.

30 (25) U.S.S. Battleship Commission with respect to operating hours, admission fees
 31 fees, or related activity fees pursuant to G.S. 143B-73."
 32

33 **SYMPHONY CHALLENGE GRANT**

34 **SECTION 14.3.(a)** Of the funds appropriated in this act to the Department of Natural
 35 and Cultural Resources, the sum of two million dollars (\$2,000,000) in recurring funds for the
 36 2019-2020 fiscal year and two million dollars (\$2,000,000) in recurring funds for the 2020-2021
 37 fiscal year shall be allocated to the North Carolina Symphony in accordance with this section. It
 38 is the intent of the General Assembly that the North Carolina Symphony raise at least nine million
 39 dollars (\$9,000,000) in non-State funds each year of the 2019-2021 fiscal biennium. The North
 40 Carolina Symphony cannot use funds transferred from the organization's endowment to its
 41 operating budget to achieve the fund-raising targets set out in subsections (b) and (c) of this
 42 section.

43 **SECTION 14.3.(b)** For the 2019-2020 fiscal year, the North Carolina Symphony
 44 shall receive the allocation from the Department of Natural and Cultural Resources under this
 45 section as follows:

46 (1) Upon raising the initial sum of four million dollars (\$4,000,000) in non-State
 47 funding, the North Carolina Symphony shall receive the sum of six hundred
 48 thousand dollars (\$600,000).

49 (2) Upon raising an additional sum of two million dollars (\$2,000,000) in
 50 non-State funding for a total amount of six million dollars (\$6,000,000) in

1 non-State funds, the North Carolina Symphony shall receive the sum of seven
2 hundred thousand dollars (\$700,000).

- 3 (3) Upon raising an additional sum of three million dollars (\$3,000,000) in
4 non-State funding for a total amount of nine million dollars (\$9,000,000) in
5 non-State funds, the North Carolina Symphony shall receive the final sum of
6 seven hundred thousand dollars (\$700,000) in the 2019-2020 fiscal year.

7 **SECTION 14.3.(c)** For the 2020-2021 fiscal year, the North Carolina Symphony
8 shall receive the allocation from the Department of Natural and Cultural Resources under this
9 section as follows:

- 10 (1) Upon raising the initial sum of four million dollars (\$4,000,000) in non-State
11 funding, the North Carolina Symphony shall receive the sum of six hundred
12 thousand dollars (\$600,000).
13 (2) Upon raising an additional sum of two million dollars (\$2,000,000) in
14 non-State funding for a total amount of six million dollars (\$6,000,000) in
15 non-State funds, the North Carolina Symphony shall receive the sum of seven
16 hundred thousand dollars (\$700,000).
17 (3) Upon raising an additional sum of three million dollars (\$3,000,000) in
18 non-State funding for a total amount of nine million dollars (\$9,000,000) in
19 non-State funds, the North Carolina Symphony shall receive the final sum of
20 seven hundred thousand dollars (\$700,000) in the 2020-2021 fiscal year.
21

22 **REPORT ON ATTRACTIONS MARKETING**

23 **SECTION 14.4.(a)** The Department of Natural and Cultural Resources shall study
24 and report on the marketing of the North Carolina Zoological Park, the North Carolina
25 Aquariums, and the North Carolina State Museum of Natural Sciences (the "State Attractions"),
26 including marketing conducted on behalf of the State Attractions by affiliated or independent
27 support or friends organizations. As part of its report, the Department shall assess and provide
28 the following for the 2018-2019 fiscal year:

- 29 (1) All public and private funds spent on marketing the State Attractions,
30 including a breakdown of funding source and the particular marketing uses
31 for the funds from each source.
32 (2) Identification of new or innovative marketing techniques of the State
33 Attractions that could be utilized, but currently lack funding.
34 (3) The scope and effectiveness of cooperative or collaborative marketing
35 activities with other State agencies or with the nonprofit corporation with
36 which the Department of Commerce contracts pursuant to
37 G.S. 143B-431.01(b).
38 (4) An explanation of measures of effectiveness or reach that are used to evaluate
39 current marketing programs, as well as effectiveness or reach data generated
40 by those measures.

41 **SECTION 14.4.(b)** The Department shall provide its report to the Joint Legislative
42 Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal
43 Research Division no later than October 15, 2019.
44

45 **ADD MARKETING AS PERMISSIBLE USE OF NC ZOO FUND**

46 **SECTION 14.5.** G.S. 143B-135.209(a) reads as rewritten:

47 "(a) Fund. – The North Carolina Zoo Fund is created as a special fund. The North Carolina
48 Zoo Fund shall be used for the following types of projects and activities at the North Carolina
49 Zoological Park and to match private funds raised for these ~~types of projects~~ projects and
50 activities:"

- 1 (1) Repair, renovation, expansion, maintenance, and educational exhibit
 2 construction. Funds used for repair, renovation, and expansion projects may
 3 be transferred to a capital projects fund to account for use of the funds for each
 4 project.
 5 (2) Renovations of exhibits in habitat clusters, visitor services facilities, and
 6 support facilities (including greenhouses and temporary animal holding
 7 areas).
 8 (3) The acquisition, maintenance, or replacement of tram equipment as required
 9 to maintain adequate service to the public.
 10 (4) Marketing of the zoo.
 11

12 STATUTORY AUTHORITY REGARDING RECREATION

13 **SECTION 14.6.(a)** Subsections (a) and (d) of G.S. 143-323 are recodified as
 14 subsections (b) and (c) of G.S. 143B-135.60, to be entitled "Additional powers and duties of the
 15 Department regarding recreation."

16 **SECTION 14.6.(b)** G.S. 143-320(3) is repealed.

17 **SECTION 14.6.(c)** G.S. 143B-135.60, as enacted by subsection (a) of this section,
 18 reads as rewritten:

19 "**§ 143B-135.60. Additional powers and duties of the Department regarding recreation.**

20 (a) Definition. – As used in this section, "recreation" means those interests that are
 21 diversionary in character and that aid in promoting entertainment, pleasure, relaxation,
 22 instruction, and other physical, mental, and cultural developments and experiences of a leisure
 23 nature, and includes all governmental, private nonprofit, and commercial recreation forms of the
 24 recreation field and includes parks, conservation, recreation travel, the use of natural resources,
 25 wilderness, and high density recreation types and the variety of recreation interests in areas and
 26 programs which are incorporated in this range.

27 (b) ~~Recreation. – The Department of Environmental Quality~~ shall have the following
 28 powers and duties with respect to recreation:
 29

30 ...

31 (c) ~~Federal Assistance. – The Department, with the approval of the Governor, may apply~~
 32 ~~for and accept grants from the federal government and its agencies and from any foundation,~~
 33 ~~corporation, association, or individual, and may comply with the terms, conditions, and~~
 34 ~~limitations of the grant, in order to accomplish any of the purposes of the Department. Grant~~
 35 ~~funds shall be expended pursuant to the Executive Budget Act.~~ State Budget Act. The Director of
 36 the Department's Division of Parks and Recreation is designated as the State liaison officer with
 37 respect to funding through the federal Land and Water Conservation Fund or any successor fund
 38 established for similar purposes. The Secretary may designate additional personnel to assist the
 39 Director of the Division of Parks and Recreation in fulfilling the Director's responsibilities under
 40 this subsection.

41 PART F PROJECTS

42 **SECTION 14.7.** Of the funds appropriated in this act to the Parks and Recreation
 43 Trust Fund, nonrecurring funds for the 2019-2020 fiscal year are allocated for various projects
 44 in the following amounts:

- 45 (1) One million five hundred thousand dollars (\$1,500,000) to the North Carolina
 46 Freedom Monument Project, Inc., to build a public sculpture park on land
 47 located between the Legislative Building and the Governor's Mansion in
 48 downtown Raleigh to commemorate historic and ongoing struggles for
 49 freedom in North Carolina, and especially the enduring roles of
 50 African-Americans in the struggle for freedom in this State. Notwithstanding
 51 G.S. 143B-135.56(b)(2), these funds shall not be expended unless the North

1 Carolina Freedom Monument Project, Inc., raises the sum of one million
 2 seven hundred thousand dollars (\$1,700,000) in non-State funds to match the
 3 funds allocated by this section.

4 (2) One million dollars (\$1,000,000) to the Department of Natural and Cultural
 5 Resources for stabilization or renovation of structures located on the Vade
 6 Mecum tract at Hanging Rock State Park as set forth in the July 2018 Hanging
 7 Rock State Park Expansion Master Plan.

8 (3) One million dollars (\$1,000,000) to provide a grant to the Town of Madison
 9 for development of the Lindsey Bridge river landing and park.

10 (4) Two million dollars (\$2,000,000) to the Department of Natural and Cultural
 11 Resources for the development of Pisgah View Park in Buncombe and
 12 Haywood Counties.

13 (5) Two million dollars (\$2,000,000) to the Department of Natural and Cultural
 14 Resources for the development of the Wilderness Gateway Trail in McDowell,
 15 Rutherford, Burke, and Catawba Counties.
 16

17 **CONSERVATION CORPS NAME CHANGE**

18 **SECTION 14.8.** G.S. 143-58.7 reads as rewritten:

19 **"§ 143-58.7. Contracts with ~~Youth~~ Conservation Corps.**

20 State departments, institutions, and agencies may contract with ~~the North Carolina Youth~~
 21 Conservation Corps North Carolina to perform trail construction and maintenance, invasive
 22 species removal, and other conservation projects in State parks, State forests, and other
 23 State-owned facilities where the projects provide direct public benefits to the citizens of the State
 24 and offer youth and young adults of the State a structured program that connects them to natural
 25 resources and teaches job skills, leadership, community service, and personal responsibility.
 26 Contracts under this section are exempt from the competitive bidding procedures described in
 27 this Article and the rules adopted under it."
 28

29 **NATURAL HERITAGE PROGRAM FEE WAIVER**

30 **SECTION 14.9.** G.S. 143B-135.272 reads as rewritten:

31 "(a) The Secretary may establish fees to defray the costs associated with any of the
 32 following:

33 (1) Responding to inquiries requiring customized environmental review services
 34 or the costs associated with developing, improving, or maintaining technology
 35 that supports an online interface for external users to access Natural Heritage
 36 Program data. ~~The Secretary may reduce or waive the fee established under~~
 37 ~~this subsection if the Secretary determines that a waiver or reduction of the~~
 38 ~~fee is in the public interest.~~

39 (2) Any activity authorized under G.S. 143B-135.234(10), including an inventory
 40 of natural areas conducted under the Natural Heritage Program, conservation
 41 and protection planning, and informational programs for owners of natural
 42 areas, as defined in G.S. 143B-135.254.
 43

44 ...

45 (c) The Secretary may reduce or waive fees established under this section if the Secretary
 46 determines that a reduction or waiver of the fees is in the public interest or serves the purposes
 47 declared in the Nature Preserves Act, Part 42 of Article 2 of Chapter 143B of the General
 48 Statutes."

49 **NATURAL HERITAGE PROGRAM ADMINISTRATION AND FUND CORRECTION**

50 **SECTION 14.10.(a)** G.S. 143B-135.272(b) reads as rewritten:

1 "(b) Fees collected under this section are receipts of the Department of Natural and
2 Cultural Resources and shall be deposited in the ~~Clean Water Management Trust Fund special~~
3 ~~fund~~ for the purpose of supporting the operations of the Natural Heritage Program."

4 **SECTION 14.10.(b)** Part 42 of Article 2 of Chapter 143B of the General Statutes is
5 amended by adding a new section to read:

6 "**§ 143B-135.273. Administration of the Conservation Tax Credit program.**

7 All duties and responsibilities related to stewardship and oversight of properties and interests
8 for which tax credits were granted under the Conservation Tax Credit program for tax years
9 beginning before January 1, 2014, and previously given to the Department of Environmental
10 Quality or its predecessors are transferred to the Department of Natural and Cultural Resources.
11 The Department of Natural and Cultural Resources shall exercise the duties and responsibilities
12 transferred by this section through the Natural Heritage Program."

13 14 **REPURPOSE CERTAIN PLANNING FUNDS**

15 **SECTION 14.11.** Funds appropriated to the Division of North Carolina Aquariums
16 in the North Carolina Department of Natural and Cultural Resources by Section 14.19 of S.L.
17 2017-57, as amended by Section 4.3 of S.L. 2017-197 and Section 4.9 of S.L. 2017-212, and
18 allocated for planning and permitting of a satellite aquarium area shall instead be used for the
19 following purposes:

- 20 (1) Ninety-eight thousand seven hundred ninety-four dollars (\$98,794) to address
21 storm damage at the Core Sound Waterfowl Museum and Heritage Center in
22 Harkers Island, North Carolina.
23 (2) One hundred fifty-five thousand dollars (\$155,000) to add the home of civil
24 rights leader Golden Frinks to the Historic Edenton State Historic Site.
25

26 **HISTORIC SITES MAINTENANCE FUNDS**

27 **SECTION 14.11A.** Funds appropriated to the Department of Natural and Cultural
28 Resources by this act and allocated for maintenance of State Historic Sites may be used at any
29 State Historic Site other than Tryon Palace, the North Carolina Transportation Museum, or the
30 Battleship U.S.S. North Carolina.
31

32 **REPEAL OBSOLETE ONE MILLION ACRES PROGRAM**

33 **SECTION 14.11B.(a)** G.S. 113A-240(a) and (b) are recodified as
34 G.S. 143B-135.230(a) and (c), respectively.

35 **SECTION 14.11B.(b)** G.S. 143B-135.230, as amended by subsection (a) of this
36 section, reads as rewritten:

37 "**§ 143B-135.230. Purpose.**

38 (a) It is the intent of the General Assembly to ~~continue to~~ support and accelerate the
39 State's programs of land conservation and ~~protection~~, protection and farmland and open space
40 preservation and coordination to find means to assure and increase funding for these programs,
41 to support the long-term management of conservation lands acquired by the State, and to improve
42 the coordination, efficiency, and implementation of the various State and local land protection
43 programs operating in North Carolina.

44 (b) It is the further intent of the General Assembly that moneys from the Fund created
45 under this Part shall be used to help finance projects that enhance or restore degraded surface
46 waters; protect and conserve surface waters, including drinking supplies, and contribute toward
47 a network of riparian buffers and greenways for environmental, educational, and recreational
48 benefits; provide buffers around military bases to protect the military mission; acquire land that
49 represents the ecological diversity of North Carolina; and acquire land that contributes to the
50 development of a balanced State program of historic properties.

1 (c) It is the further intent of the General Assembly that the State's lands should be
2 protected in a manner that minimizes any adverse impacts on the ability of local governments to
3 carry out their broad mandates."

4 **SECTION 14.11B.(c)** Article 17 of Chapter 113A of the General Statutes, as
5 amended by subsection (a) of this section, is repealed.

6 7 **WRC REPORT CHANGE**

8 **SECTION 14.12.** G.S. 143-250 reads as rewritten:

9 "**§ 143-250. Wildlife Resources Fund.**

10 ...

11 All moneys credited to the Wildlife Resources Fund shall be made available to carry out the
12 intent and purposes of this Article in accordance with plans approved by the North Carolina
13 Wildlife Resources Commission, and all ~~such of these funds are hereby~~ appropriated, reserved,
14 ~~set aside~~ aside, and made available until expended, for the enforcement and administration of this
15 Article, ~~Chapter 75A, Article 1, and Chapter 113, Subchapter IV of the General Statutes of North~~
16 ~~Carolina. Article 1 of Chapter 75A of the General Statutes, and Subchapter IV of Chapter 113 of~~
17 the General Statutes. No later than October 1 of each year, the Wildlife Resources Commission
18 shall report to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative
19 Oversight Committee on Agriculture and Natural and Economic Resources on the expenditures
20 from the Wildlife Resources Fund during the fiscal year that ended the previous July 1 of that
21 year and on the planned expenditures for the current fiscal year.

22"

23 24 **OUTDOOR HERITAGE AMENDMENTS**

25 **SECTION 14.13.(a)** G.S. 126-5(c1) reads as rewritten:

26 "(c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions of this
27 Chapter shall not apply to:

28 ...

29 (36) Employees of the Outdoor Heritage Advisory Council."

30 **SECTION 14.13.(b)** The introductory language of Section 13A.1(a) of S.L. 2018-5
31 reads as rewritten:

32 "**SECTION 13A.1.(a)** ~~G.S. 143B-344.62~~ G.S. 143B-344.60 reads as rewritten:"

33 **SECTION 14.13.(c)** Funds appropriated to the Outdoor Heritage Advisory Council
34 by this act for grants shall not be used for the Council's administrative expenses. The Council
35 shall report annually on the grant program until the funds have been expended. The report shall
36 be submitted by April 1 of each fiscal year to the Joint Legislative Oversight Committee on
37 Agriculture and Natural and Economic Resources and the Fiscal Research Division, and shall
38 include, at a minimum, a listing of grantees, award amounts, and a brief description of the purpose
39 or use of each award.

40 41 **PRESCRIBED BURNING PLAN**

42 **SECTION 14.14.** The Wildlife Resources Commission, in consultation with the
43 Department of Agriculture, shall formulate a plan to conduct prescribed burning on State lands
44 to enhance wildlife biodiversity. The Commission shall report this plan to the Joint Legislative
45 Oversight Committee on Agriculture and Natural and Economic Resources by March 1, 2020.

46 47 **PART XV. ADMINISTRATIVE OFFICE OF THE COURTS**

48 49 **COLLECTION OF WORTHLESS CHECKS**

50 **SECTION 15.1.** Notwithstanding the provisions of G.S. 7A-308(c), the Judicial
51 Department may use any balance remaining in the Collection of Worthless Checks Fund on June