

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

**SESSION LAW 2006-178  
HOUSE BILL 2208**

AN ACT TO REPEAL THE REQUIREMENT THAT CERTAIN STATUTORY CRITERIA RELATED TO GRANTS FROM THE CLEAN WATER MANAGEMENT TRUST FUND FOR WASTEWATER AND STORMWATER COLLECTION AND TREATMENT PROJECTS HAVE PRIORITY OVER CRITERIA ESTABLISHED BY THE BOARD OF TRUSTEES OF THE CLEAN WATER MANAGEMENT TRUST FUND, TO CLARIFY THE AUTHORITY OF THE BOARD OF TRUSTEES WITH RESPECT TO MATCH REQUIREMENTS IN CONNECTION WITH GRANT AWARDS, AND TO ESTABLISH TERM LIMITS FOR THE BOARD OF TRUSTEES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 113A-254 reads as rewritten:

**"§ 113A-254. Grant requirements.**

(a) Eligible Applicants. – Any of the following are eligible to apply for a grant from the Fund for the purpose of protecting and enhancing water quality:

- (1) A State agency.
- (2) A local government unit.
- (3) A nonprofit corporation whose primary purpose is the conservation, preservation, and restoration of our State's environmental and natural resources.

(a1) Criteria. – The criteria developed by the Trustees under G.S. 113A-256 apply to grants made under this Article. The common criteria for water projects set in G.S. 159G-23 and the criteria set out in this section also apply to wastewater collection system projects, wastewater treatment works projects, and stormwater quality projects. ~~The common criteria set in G.S. 159G-23 have priority over the criteria set under this Article for wastewater collection system projects, wastewater treatment works projects, and stormwater quality projects.~~ An application for a wastewater collection system project or a wastewater treatment works project that serves an economically distressed local government unit has priority.

(b) Matching Requirement. – The Board of Trustees shall establish matching requirements for grants awarded under this Article. ~~The Board of Trustees may require a match of up to twenty percent (20%) of the amount of the grant awarded.~~ This requirement may be satisfied by the donation of land to a public or private nonprofit conservation organization as approved by the Board of Trustees. The Board of Trustees may also waive the requirement to match a grant pursuant to guidelines adopted by the Board of Trustees.

(c) Restriction. – No grant shall be awarded under this article to satisfy compensatory mitigation requirements under 33 USC § 1344 or G.S. 143-214.11.

(d) Wastewater Limits. – A wastewater collection system project or a wastewater treatment works project is eligible for a grant under this Article only if it is a high-unit-cost project, as defined in G.S. 159G-20. A grant made under this Article for a wastewater collection system project or a wastewater treatment works project is subject to the cost limits and recipient limits set in G.S. 159G-36 for a grant awarded from the Wastewater Reserve.

(e) Stormwater Limits. – The amount of a grant awarded under this Article for a stormwater quality project may not exceed the construction costs of the project. The total amount of grants awarded under this Article to the same recipient for stormwater quality projects for a fiscal year may not exceed the limit set in G.S. 159G-36(c)(1) for grants to the same recipient from the Wastewater Reserve.

(f) Withdrawal. – An award of a grant under this Article is withdrawn if the grant recipient fails to enter into a construction contract for the project within one year after the date of the award, unless the Trustees find that the applicant has good cause for the failure. If the Trustees find good cause for a recipient's failure, the Trustees must set a date by which the recipient must take action or forfeit the grant."

**SECTION 2.** G.S. 113A-255 is amended by adding a new subsection to read:

"(b2) Limitation on Length of Service. – No member of the Board of Trustees shall serve more than two consecutive four-year terms or a total of 10 years."

**SECTION 3.** Sections 1 and 3 of this act are effective retroactively to 1 January 2006. Section 2 of this act is effective retroactively to 1 July 2006. This act shall not apply to any person who is a member of the Board of Trustees of the Clean Water Management Trust Fund on 30 June 2006.

In the General Assembly read three times and ratified this the 17<sup>th</sup> day of July, 2006.

s/ Beverly E. Perdue  
President of the Senate

s/ James B. Black  
Speaker of the House of Representatives

s/ Michael F. Easley  
Governor

Approved 6:00 p.m. this 1<sup>st</sup> day of August, 2006