

Environment, Natural Resources, and Energy

See full summary documents for additional detail

Agricultural Water Plan Update. – NC Farm Act of 2025-2026.

SL 2026-11 (S401), Sec. 1

Section 1 of S.L. 2026-11 (Senate Bill 401) directs Department of Agriculture and Consumer Services (DACS) to update the Strategic Plan for Protecting Agricultural Water Resources in North Carolina (Plan) to include information on water infrastructure needs, water conservation practices, cost share assistance needed for long term water storage capacity and conservation practices, and flooding mitigation practices and incentive programs.

DACS must submit a report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources by January 1, 2027, on the development of the Plan and any legislative changes needed to implement the Plan.

This section became effective June 22, 2026.

Repeal Violation Points System for Swine Farms – NC Farm Act of 2025-2026.

SL 2026-11 (S401), Sec. 4

Section 4 of S.L. 2026-11 (Senate Bill 401) repeals G.S. 143-215.6E, originally enacted in 1997, which directed the Environmental Management Commission (EMC) to develop a Violation Points System applicable to permits for animal waste management systems for swine farms. The Violation Points System was never developed.

The EMC has found that a Violation Points System that does not assess penalties based on fact-specific assessment factors set forth in G.S. 143-215.6A and G.S. 143B-282.1(b) would violate those statutes.

This section became effective June 22, 2026.

Swine Farm Siting Act Technical Correction. – NC Farm Act of 2025-2026.

SL 2026-11 (S401), Sec. 5

Section 5 of S.L. 2026-11 (Senate Bill 401) makes technical changes to Chapter 106 of the General Statutes to conform with a provision enacted in 2023. The technical changes clarify that a person who constructs or operates an animal waste management system must obtain a permit under the Animal Waste Management Systems Part (Part 1A) of Article 21 of Chapter 143 of the General Statutes.

This section became effective June 22, 2026.

Amend Eligibility Criteria for Animal Waste Fertilizer Conversion Cost-Share Eligibility. – NC Farm Act of 2025-2026.

SL 2026-11 (S401), Sec. 6

Section 6 of S.L. 2026-11 (Senate Bill 401) amends the definition of an "eligible entity" for a statewide cost-share program for deploying processes and technologies developed for conversion of animal waste to fertilizer to include any person converting sludge from an anaerobic lagoon or other liquid animal waste management system treating animal waste from a livestock operation into fertilizer products.

This section became effective June 22, 2026.

Require a Statewide Study on Shellfish Aquaculture Leasing and Current Moratorium on Shellfish Leasing – NC Farm Act of 2025-2026.

SL 2026-11 (S401), Sec. 7

Section 7 of S.L. 2026-11 (Senate Bill 401), as amended by Section 3.18 of S.L. 2026-61 (House Bill 268), directs the North Carolina Collaboratory to study shellfish aquaculture regulations to ensure a balanced approach between economic development, environmental protection, and public access to coastal waters. In conducting the study, the Collaboratory must consult with the North Carolina Division of Marine Fisheries, the Marine Fisheries Commission, and other stakeholders, including shellfish growers, commercial and recreational fishermen, property owners, and coastal area local governments.

An interim report is due to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources by December 1, 2026, and a final report, including any recommendations for legislative or regulatory changes, is due by December 1, 2027.

Section 7 of S.L. 2026-11 section became effective June 22, 2026. Section 3.18 of S.L. 2026-61 became effective August 11, 2026.

Modify Requirements for Composting of Equine/Bovine Mortality – NC Farm Act of 2025-2026.

SL 2026-11 (S401), Sec. 8

Section 8 of S.L. 2026-11 (Senate Bill 401) allows disposal systems for composting of equine and bovine mortality to be deemed permitted by Environmental Management Commission rule if they meet all the requirements currently in effect for composting facilities for animal mortality except for the requirement that the facilities be constructed on an impervious, weight-bearing foundation and operated under a roof.

This section became effective June 22, 2026.

Add New Hanover and Pender as High Hazard Counties for Open Burning. – NC Farm Act of 2025-2026.

SL 2026-11 (S401), Sec. 10

Section 10 of S.L. 2026-11 (Senate Bill 401) adds New Hanover County and Pender County to the list of "high hazard counties" in which it is unlawful:

- For any person to willfully start or cause to be started any fire in or within 500 feet of any woodland under the protection of the Department of Agriculture and Consumer Services (DACS) without a permit from DACS.
- For any person to willfully burn debris, stumps, brush, or other flammable materials from ground clearing of five or more contiguous acres without a special permit from DACS. Regular permits are required for areas less than five acres.

This section became effective June 22, 2026.

Exempt Buildings Used for Production of Agricultural Products Derived from Animal Waste from Building Code and County Zoning – NC Farm Act of 2025-2026.

SL 2026-11 (S401), Sec. 19

Section 19 of S.L. 2026-11 (Senate Bill 401) does all of the following:

- Provides that a building or structure used solely for the production of agricultural products and commodities derived from animal waste, including fertilizers and biogas, is a bona fide farm purpose exempt from county zoning.
- Reorganizes the existing uses specifically set out as bona fide farm purposes into an enumerated list.
- Exempts buildings used solely for the production of agricultural products and commodities derived from animal waste, including fertilizers and biogas, from the building code, provided the building:
 - Is surrounded and adjoined by open space of not less than 60 feet in width.
 - Has a posted reflective placard of at least 24 by 24 inches displaying "Ag. Exempt".

This section became effective July 1, 2026.

Modernize Shellfish and Aquaculture Statutes. – NC Farm Act of 2025-2026.

SL 2026-11 (S401), Sec. 20

Section 20 of S.L. 2026-11 (Senate Bill 401) defines the term "shellfish" and adds shellfish to the list of aquatic species that can be considered part of "aquaculture" for the purposes of the Aquaculture Development Act, which authorizes the Department of Agriculture and Consumer

Services to regulate the production and sale of commercially raised freshwater fish and freshwater crustacean species.

This section became effective June 22, 2026.

Amend Procedures Regarding the Sale of a Public Water System. – Water/Wastewater Affordability & Capacity Act.

SL 2026-32 (H376), Secs. 1-3

Sections 1-3 of S.L. 2026-32 (House Bill 376) amend procedures for the sale of a public water system as follows:

- Section 1 provides that water and sewer utilities can apply for a Water and Sewer Investment Plan, under which the Utilities Commission (Commission) sets base rates and authorizes annual rate changes for a three-year period. When a utility files new or revised rates, the Commission can suspend them for up to 270 days pending a hearing. Section 1 allows the Commission to suspend the effect of proposed base rates and the implementation of a Water and Sewer Investment Plan in the same manner as when a public utility files a new or revised schedule of rates with the Commission, except that the Commission can suspend the operation of the proposed base rates for up to 300 days.

This section became effective July 2, 2026, and applies to rate schedules filed on or after that date.

- Section 2 requires a local government service provider to hold a public hearing when selling a water or sewer system that services the public to a private company and determine that the sale is in the public interest. The local government selling the system must prepare a statement showing that the sale is in the public interest, including a summary of the purchaser's experience in water or sewer utility operation and a showing of financial ability to provide the service. All money paid by a private company to a local government for the purchase of a water system must be used for debt reduction for the system, if applicable, and repayment of federal grant awards associated with the system as can be required by federal law or regulation. Any remaining funds must be deposited in the local government service provider's general fund.

This section became effective July 2, 2026, and applies to contracts for sales of water systems executed on or after that date.

- Section 3 requires a local government water or sewer provider to hold a public hearing if an increase in the rates on customers outside of their jurisdictional boundaries exceeds the rates on customers inside its jurisdictional boundaries by more than 25%.

This section became effective July 2, 2026, and applies to rates established on or after that date.

Commercial Wastewater Design Flow Rate Study – Water/Wastewater Affordability & Capacity Act.

SL 2026-32 (H376), Sec. 5

Section 5 of S.L. 2026-32 (House Bill 376) directs the Environmental Management Commission (EMC), to study whether wastewater design flow rates applicable to commercial and industrial water users accurately measure the actual flow rate used by those water users. In conducting the study, the EMC must consider reductions in water consumption associated with new plumbing fixtures, fittings, and appliances; actual metered water use and wastewater flows from commercial and industrial water users; and wastewater design flow rates used by other states for comparable water users.

The EMC must report its findings to the Environmental Review Commission no later than January 1, 2027.

This section became effective July 2, 2026.

Modify the Authority of Certain Local Governments to Require Stormwater Control for Redeveloped Property. – Water/Wastewater Affordability & Capacity Act.

SL 2026-32 (H376), Sec. 5.5

Section 5.5 of S.L. 2026-32 (House Bill 376):

- Authorizes a local government to offer non-mandatory incentives that waive building, zoning, connection, or other regulations or fees, provide additional tax and financial benefits, or institute other incentives for development or redevelopment that implements additional stormwater control measures beyond those required by statute and rule.
- Makes various formatting and stylistic changes to existing language governing pre-existing impervious surface on a property under development, and adds language that provides:
 - Existing-built upon area cannot be included in the density calculations for additional stormwater control requirements, irrespective of whether the existing built-upon area is to be demolished, relocated, replaced, or remains in place during development activity.
 - For purposes of determining the size of the area for which stormwater control measures are required for a development or redevelopment, built upon area that existed before the development or redevelopment shall be applied on a square foot for square foot basis to reduce the built-upon area for which stormwater control measures are required.
 - Stormwater control requirements cannot be applied retroactively to existing built-upon area, unless otherwise required by federal law.

Each local government that implements a stormwater management program must amend its stormwater ordinance to conform to these changes by July 2, 2027. Any local stormwater ordinance that is inconsistent with these changes is void and unenforceable on and after that date.

This section became effective July 2, 2026, and applies to stormwater rules and stormwater program amendments adopted on or after that date.

On-Site Wastewater System Changes – Water/Wastewater Affordability & Capacity Act.

SL 2026-32 (H376), Sec. 7

Section 7 of S.L. 2026-32 (House Bill 376) requires any modifications proposed by a local board of health to rules adopted by the Commission for Public Health (Commission) to be approved by the Department of Health and Human Services (DHHS) after DHHS notices and holds a public hearing on the proposed rules. Local rules must be at least as stringent as rules adopted by the Commission, and necessary to protect the public health.

This section forbids any person from covering or using a system of wastewater collection, treatment, and disposal until a local health department inspects the system and determines that it was installed or repaired in accordance with an Improvement Permit, a Construction Authorization, other rules, and State law.

If a wastewater system is installed or repaired in accordance with an Improvement Permit, Construction Authorization, or other requirements, then the local health department is required to issue an operation permit that authorizes a residence, place of business, or place of public assembly to be occupied, and for the wastewater system to be used or reused.

This section became effective on July 2, 2026, and applies to permits applied for on or after that date.

Private Drinking Water Well Program Changes – Water/Wastewater Affordability & Capacity Act.

SL 2026-32 (H376), Sec. 8

Section 8 of S.L. 2026-32 (House Bill 376) clarifies conflicts of laws within the North Carolina Well Construction Act.

Additionally, it requires each local health department to implement the private drinking water well permitting and inspection program established and adopted by the Environmental Management Commission and repeals all local boards of health rules concerning permits for private drinking water wells except for the testing standards in G.S. 87-96 and fees adopted pursuant to G.S. 130A-39.

This section became effective July 2, 2026.

Approve Certain Advanced Pretreatment Systems as Innovative Wastewater Systems – Water/Wastewater Affordability & Capacity Act.

SL 2026-32 (H376), Secs. 9-10

Sec. 9 of S.L. 2026-32 (House Bill 376) redefines, for the purposes of wastewater system approval, "pretreatment" as "advanced pretreatment," and clarifies that advanced pretreatment systems can be used in addition to or in place of a septic tank and requires that the advanced pretreatment effluent meets the Commission-set standards for better than septic tank effluent quality. This section also makes various conforming changes, including clarifying that the system is part of a ground absorption system.

Sec. 10 of S.L. 2026-32 (House Bill 376) narrows the innovative system approval process for systems approved based on evaluation established by a nationally recognized certification body to apply only to advanced pretreatment systems. This section provides that advanced pretreatment systems can be approved as innovative if the system has been approved under protocol established by a nationally recognized certification body, and the Department of Health and Human Services has verified that testing data meets certain requirements, the national body has approved the system, and the design and installation of the system are consistent with the approval.

The Commission for Public Health is authorized to adopt temporary and permanent rules to implement these sections.

Sections 9 and 10 became effective July 2, 2026, and apply to applications for innovative wastewater system approval filed with the Commission on or after that date.

Department of Environmental Quality/Department of Health and Human Services Private Well Rulemaking Technical Correction – Water/Wastewater Affordability & Capacity Act.

SL 2026-32 (H376), Sec. 11

Section 11 of S.L. 2026-32 (House Bill 376) makes a conforming change to update the statutes concerning private well rulemaking to reflect that the Department of Health and Human Services, not the Department of Environmental Quality, oversees private wells.

This section became effective July 2, 2026.

Modify the Authority of Certain Local Governments to Require Stormwater Control for Redeveloped Property. – Parking Lot Reform/Stormwater Control.

SL 2026-39 (H162), Sec. 2

Section 2 of S.L. 2026-39 (House Bill 162):

- Authorizes a local government to offer non-mandatory incentives that waive building, zoning, connection, or other regulations or fees, provide additional tax and financial benefits, or institute other incentives for development or redevelopment that implements additional stormwater control measures beyond those required by statute and rule.
- Makes various formatting and stylistic changes to existing language governing pre-existing impervious surface on a property under development, and adds language that provides:
 - Existing built-upon area cannot be included in the density calculations for additional stormwater control requirements, irrespective of whether the existing built-upon area is to be demolished, relocated, replaced, or remains in place during development activity.
 - For purposes of determining the size of the area for which stormwater control measures are required for a development or redevelopment, built-upon area that existed before the development or redevelopment shall be applied on a square foot for square foot basis to reduce the built-upon area for which stormwater control measures are required.
 - Stormwater control requirements cannot be applied retroactively to existing built-upon area, unless otherwise required by federal law.

Each local government that implements a stormwater management program must amend its stormwater ordinance to conform to these changes by July 2, 2027 (within 12 months of the effective date of this section). Any local stormwater ordinance that is inconsistent with these changes is void and unenforceable on and after that date.

This section became effective July 6, 2026, and applied to stormwater rules and stormwater program amendments adopted on or after that date; however, this section was subsequently repealed by Section 40 of S.L. 2026-59 (Senate Bill 445), as an identical provision was enacted as Section 5.5 of S.L. 2026-32 (House Bill 376).

Dam Safety Grant Fund Modification. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 5A.4

Section 5A.4 of S.L. 2026-41 (Senate Bill 257) expands grant eligibility under the Dam Safety Grant Fund for dams damaged by a natural disaster to include intermediate hazard dams and makes conforming changes.

This section became effective July 1, 2026.

Water Safety Act. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 8.27

Section 8.27 of S.L. 2026-41 (Senate Bill 257):

- Authorizes the Collaboratory at the University of North Carolina at Chapel Hill (Collaboratory) to use funds appropriated under S.L. 2026-41 for per- and polyfluoroalkyl substances (PFAS) research on emerging contaminants, including:
 - Detection methods for known and emerging PFAS and 1,4 dioxane.
 - Fate and transport of PFAS and 1,4 dioxane in environmental media.
 - Innovative remediation, filtration, and destruction technologies for PFAS and 1,4 dioxane.
 - Public health and toxicological impact assessments of PFAS and 1,4 dioxane.
 - Evaluation of the health impacts of PFAS mixtures and 1,4 dioxane found in the State's drinking water to more closely model real world public health scenarios.
 - Replacement compounds for PFAS and 1,4 dioxane.
 - Other topics the Collaboratory finds relevant to the characterization, biological transport, treatment, or control of emerging contaminants.
- Directs the Collaboratory, in cooperation with the Department of Environmental Quality (DEQ), to conduct a two-phased study to identify and quantify measurable PFAS discharges in the State by collecting samples from publicly owned treatment works (POTW) permit holders and certain National Pollution Discharge Elimination System (NPDES) permit holders following sampling protocols defined by the Collaboratory.

Phase 1 includes collection by DEQ or the POTW and analysis by the Collaboratory of influent, effluent, and sludge samples from (i) every permitted POTW in the State receiving effluent from one or more significant industrial users (SIUs) and (ii) every facility holding an NPDES permit for direct discharge of process wastewater from an industrial or commercial operation. The Collaboratory and DEQ must complete sampling and analysis of samples collected during this phase no later than December 31, 2027. No later than March 31, 2028, the Collaboratory must submit to DEQ, the Environmental Management Commission (EMC), and the Environmental Review Commission (ERC) a final report of a summary of the Phase 1 results, which must be anonymized or aggregated based on county or river basin and must also include regulatory recommendations for numerical mass loading reduction thresholds. All research data gathered and analyzed by the Collaboratory as part of Phase 1, with the exception of the actual contents contained within the report released publicly, is exempt from disclosure as a public record.

Phase 2 includes collection by DEQ and analysis by the Collaboratory of influent and effluent samples collected from every SIU discharging to a POTW. The Collaboratory and DEQ must begin Phase 2 for SIUs of a POTW upon completion of Phase 1 sampling for that POTW and complete sampling and analysis for all SIUs no later than December 31, 2028.

Research data generated by the Collaboratory or its researchers under this study may be used for regulatory recommendations but may not be used for regulatory actions by the State of North Carolina. DEQ may take regulatory actions only in compliance with the sampling and analytic protocols required under DEQ's delegation of NPDES and pretreatment program authority from the Environmental Protection Agency. No later than March 31, 2029, the Collaboratory must submit to DEQ, the EMC, and the ERC a final report of a summary of the results, which must also include regulatory recommendations for numerical mass loading reduction thresholds. Upon publication of the report, the supporting data from Phase 2 will be a public record, unless exempted under other law.

The Collaboratory must consult with affected stakeholders, scientific experts, and State and local officials in the conduct of this study.

- Directs the Collaboratory to carry out a collaborative research effort in partnership with utilities and State regulators on all of the following:
 - The impact of land application of biosolids generated at POTW facilities across the State, including the amount of biosolids generated; types and concentrations of PFAS found in the biosolids; the locations of the final disposition of biosolids generated at, and removed by, the wastewater facilities; the amount of PFAS contributed by the biosolids to surface and groundwater sources; current and alternative biosolids management options; the development of new management practices and technologies to minimize or remove PFAS; and any other variables related to biosolids management deemed relevant by the Collaboratory and its research partners.
 - The concentrations and types of PFAS influent and effluent at wastewater treatment works facilities across the State, including identification of sources contributing to PFAS in facility influents; the fate and transport of PFAS effluent from the facilities; best management practices for identifying, managing, reducing, mitigating, and removing PFAS from both the influent and effluent at these wastewater facilities; development or deployment of PFAS reduction, mitigation, or destruction technologies to mitigate influent or effluent; and any other variables related to PFAS deemed relevant by the Collaboratory and its research partners.
 - The feasibility of developing PFAS reduction strategies for industrial discharges into either surface or groundwater in the State that can include analytical methods, targeted compounds, concentration thresholds, best available control technologies, development of new detection and reduction technologies, benefit-cost calculations, a proposed regulatory framework, and any other components deemed relevant by the Collaboratory and its research partners necessary to achieve PFAS reduction goals and standards.

POTWs and DEQ must partner with the Collaboratory to carry out this study to the extent permitted under public records laws, the requirements for protection of confidential information under law, or the terms of any delegation of enforcement authority under federal or State law or memoranda of agreement or understanding setting forth the delegation.

The Collaboratory must present the final results of this study to DEQ, the ERC, and the EMC no later than January 31, 2029.

- Creates a new Article in the General Statutes titled "Emerging Contaminant Mitigation," which establishes the Emerging Contaminant Mitigation Fund (Fund) to support statewide efforts to detect, reduce, mitigate, and prevent exposure to emerging contaminants. The Fund consists of any funds appropriated to it by the General Assembly; the clear proceeds from litigation settlement agreements, final orders, or judgments of a court received by the State in settlement of litigation related to emerging contaminants; grants from federal agencies or other non-State entities; and all interest earned on the Fund. The Fund will be administered by the State Water Infrastructure Authority (SWIA), and can only be used to provide grants to units of local government operating public water or wastewater treatment systems for any of the following:
 - Emerging contaminant sampling and monitoring in drinking water, wastewater, surface water, and groundwater.
 - Installation or upgrade of water treatment technologies for emerging contaminant removal.
 - Emergency response and remediation of emerging contaminant contamination in soil, surface water, and groundwater.
 - Provision of technical assistance to significant industrial users for the purpose of mitigating, decreasing, or eliminating discharges of PFAS and 1,4-dioxane to publicly owned treatment works.

This section became effective July 1, 2026.

Firefighter Protection Act. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 8.28

Section 8.28 of S.L. 2026-41 (Senate Bill 257) allocates \$15 million to the North Carolina Collaboratory (Collaboratory) to fund any of the following research, development, and remedial activities related to per- and polyfluoroalkyl substances (PFAS):

- Groundwater studies of areas at or adjacent to fire stations with elevated levels of PFAS, including the purchase and deployment of analytical instrumentation or mobile platforms using analytical equipment, to analyze and assess PFAS levels in the environment.
- Providing temporary water supplies to fire stations currently or formerly on water wells with elevated levels of PFAS, including mobile tankers of food-grade water.
- Providing longer-term filtration systems for water wells at fire stations with elevated levels of PFAS, including reverse osmosis, granular activated carbon, anion exchange resins, or other novel sorbent media developed by the University of North Carolina at Chapel Hill.
- Short- or long-term voluntary human exposure studies to assess levels of PFAS in the bodies of firefighters and their families.

- Sampling and assessment of drinking water wells at homes of firefighters, locations formerly used as fire stations, and other wells that can be contaminated with PFAS to better understand the local and regional impacts of PFAS in groundwater.
- Supplemental support of the Bernard Allen Emergency Drinking Water Fund in areas surrounding fire stations with elevated levels of PFAS in their water wells.
- Funding of a partnership with the Office of the State Fire Marshal and North Carolina State University to develop and implement a pilot program for deep cleaning of firefighter protective gear to mitigate PFAS exposure.
- Any other projects of opportunity deemed relevant by the Collaboratory related to PFAS or firefighters and the communities they serve.

This section also requires the Collaboratory to summarize the activities funded by this section as part of its required annual report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Oversight Committee on Health and Human Services, and the Joint Legislative Education Oversight Committee.

This section became effective July 1, 2026.

Wastewater and Drinking Water Directives. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.2

Section 12.2 of S.L. 2026-41 (Senate Bill 257) requires recipients of funding for specific water and wastewater projects funded by the 2023 budget to:

- Submit funding request forms to the Department of Environmental Quality (DEQ) by June 30, 2027.
- Enter into a construction contract by June 30, 2029.
- Expend the funding by December 31, 2031.

DEQ can extend the deadline for recipients that fail to meet deadlines if DEQ finds good cause, including a natural disaster.

If the recipient misses any of the deadlines above, unspent funds revert to DEQ for other water and sewer infrastructure projects that are eligible for funding from the Drinking Water Reserve or Wastewater Reserve, on the business day following the deadline. Reverted funds must be allocated to prioritized projects that the Division of Water Infrastructure finds cannot be completed due to unavoidable cost overruns since September 1, 2023, for costs described in the first request for funding submitted to DEQ.

By October 31, 2026, and every quarter thereafter, DEQ must report to (i) the chairs of the House Appropriations Committee on Agriculture and Natural and Economic Resources, (ii) the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, (iii) each member who represents a district with an active project, and (iv) the Fiscal Research Division detailing, at a minimum, each project's progress and funding status, until all funds are expended and projects are completed.

Subsections (f) through (h) make conforming changes to the Water Infrastructure Chapter of the General Statutes and do the following:

- Expand the definition of "targeted interest rate project" to include several classes of projects in the discretion of the State Water Infrastructure Authority.
- Require DEQ to report on loans offered to local governments, nonprofit water corporations, or investor-owned drinking water corporations that are refused and the reason for the refusal.
- Increase the limit for merger/regionalization feasibility grants and asset inventory and assessment grants.

This section became effective July 1, 2026.

North Carolina Utilities Commission Water/Wastewater Revolving Loan Program. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.4

Section 12.4 of S.L. 2026-41 (Senate Bill 257), as amended by Section 5.12 of S.L. 2026-61 (House Bill 268), establishes the North Carolina Utilities Commission (NCUC) Emergency Reserve account within the Water Infrastructure Fund. The Department of Environmental Quality (DEQ) is directed to administer loans for private systems projects for which the NCUC has approved an emergency operator.

The DEQ and NCUC are authorized to jointly develop rules and criteria for the loans that at least include:

- Provisions limiting funds to private system projects for which an emergency operator has been appointed.
- Loan applications must include detailed estimates of the total costs to address the emergency conditions that must be reviewed and approved by the agencies before fund disbursement.
- Clawback provisions for all loan agreements.
- Provisions permitting application amendment for additional funding if unforeseen conditions arise that necessitate additional funding.

Loans and grants under this program cannot exceed the emergency operator's original estimate unless approved by the agencies, and any approved increase cannot exceed 25% of the original estimate. The section caps interest rates for loans at 3%.

This section of the act became effective July 1, 2026, and applies to loans made on or after that date.

Extension of Interbasin Transfer Study and Moratorium – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.5

Section 12.5 of S.L. 2026-41 (Senate Bill 257) extends an existing moratorium on granting new interbasin transfer certificates for significant surface water transfers (in excess of 15,000,000 gallons per day) from March 1, 2027, to August 1, 2028. This section also extends the reporting deadline for the North Carolina Collaboratory, tasked with studying the current statutory process for approval of surface water transfers, from January 1, 2027, to January 15, 2028, and clarifies that the report must be delivered to the chairs of the House Agriculture and Environment Committee; the chairs of the Senate Agriculture, Energy, and Environment Committee; the chairs of the House and Senate Regulatory Reform Committees; and the Joint Legislative Commission on Governmental Operations.

This section became effective July 1, 2026.

Cape Fear/Emergency IBT Moratoriums And Study – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.6

Section 12.6 of S.L. 2026-41 (Senate Bill 257) imposes a moratorium on the issuance of certificates authorizing a new or increased surface water transfer from the Cape Fear River Basin. This moratorium does not prohibit any existing transfers, or any proposed transfers for which a notice of intent to file a petition for a surface water transfer was filed prior to July 1, 2026. This section also imposes limitations on emergency transfers from the Cape Fear River Basin, providing that the Secretary of the Department of Environmental Quality can only approve emergency transfers to address water supply problems caused by drought or pollution when certain criteria are met and limits the transfers to no more than 90 days, with the opportunity to extend that period twice. The Secretary must report to the Environmental Review Commission any emergency transfers granted within 30 days of authorizing the transfer.

This section also directs the North Carolina Collaboratory (Collaboratory) to study the State's water resources and supply, projected water needs, and the statutory framework surrounding water allocation to determine the long-term water needs of the State and make recommendations for any legislative changes necessary to ensure the sustainability of North Carolina's water supply for future generations, focusing on the Cape Fear, Neuse, and Catawba river basins (collectively, the High Growth Basins). The Collaboratory must include all the following in its study:

- An assessment of current and projected water supply and demand in the High Growth Basins through the year 2055, accounting for population growth, economic and industrial development, agricultural use, and projected drought frequency and severity.
- An assessment of the reliable yield of water supply of the High Growth Basins, including an assessment for each subbasin and major tributary.

- An evaluation of the adequacy, condition, and resilience of existing major water supply infrastructure in the High Growth Basins relevant to long-term water supply planning, including raw water intakes, storage, treatment capacity, and system interconnections.
- An evaluation of options for efficient use of existing water supply or expanding existing water supply, including regional interconnection, conjunctive use of surface and groundwater, water reuse, conservation and demand management, and new or expanded storage.
- An assessment of water quantity, supply, utilization, and conservation data collected from consumers of water resources under existing water resource regulatory and planning programs, identification of gaps in those data, and recommendations for new reporting requirements to support informed data-centered decision making on water resource allocation issues.
- In the portion of the study focusing on the Neuse and Cape Fear Rivers, the Collaboratory will include an assessment of the current and anticipated water supply needs of the Triangle region of the State, and an evaluation of potential water supply resources to meet the Triangle's growing need that are alternatives to an interbasin transfer certificate authorizing a withdrawal from the Cape Fear River Basin, including an analysis of water reduction and conservation options and the feasibility of obtaining interbasin transfer certificates for withdrawal from another water source, like Kerr Lake.
- Any other matters pertaining to water quality, quantity, utilization, conservation, or governance issues the Collaboratory deems relevant.

In conducting the study, the Collaboratory must consult with the United States Army Corps of Engineers, the Department of Environmental Quality, the Environmental Management Commission, the State Water Infrastructure Authority, the North Carolina League of Municipalities, and other relevant public and private entities, as determined by the Collaboratory. The Collaboratory must provide an interim report on the study set forth in this section by December 31, 2028, and a final report of its findings, together with any proposed legislation, no later than July 1, 2029, to the Environmental Review Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division.

This section became effective July 1, 2026.

Department of Environmental Quality Fixing America's Surface Transportation-41 Permitting Process for Critical Energy Infrastructure. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.7

Section 12.7 of S.L. 2026-41 (Senate Bill 257) enacts a new statute that requires the Department of Environmental Quality (DEQ) to participate in the federal environmental review and authorization coordination process under the Fix America's Surface Transportation Act, known as FAST-41, upon written request from the project sponsor of any critical energy infrastructure project. For purposes of the section, the term "critical energy infrastructure" means:

- A nuclear energy generation facility, including any associated nuclear facility, electric transmission facility, and water supply or wastewater infrastructure.
- A natural gas-fired electric generation facility, including any associated electric transmission facility and water supply or wastewater infrastructure.
- A natural gas pipeline, including any associated compressor station and water supply or wastewater infrastructure.

DEQ must do all of the following with respect to a FAST-41 project:

- Designate a DEQ employee to serve as the single point of contact within five business days after receiving the project sponsor's written request.
- Identify each DEQ authorization that can be required for the project within 15 business days after receiving the project sponsor's written request.
- Participate in all meetings, consultations, coordination calls, schedule setting discussions, and other activities requested by the project sponsor, the Federal Permitting Improvement Steering Council, the facilitating or lead federal agency, as applicable, or any other federal agency involved in the FAST-41 process.
- Provide proposed target dates, intermediate milestones, and final decision deadlines for each DEQ authorization, for purposes of inclusion in any coordinated project plan, permitting timetable, federal permitting dashboard entry, memorandum of understanding, or other FAST-41 coordination document.
- Agree to the inclusion of DEQ authorization milestones in the FAST-41 permitting timetable or federal permitting dashboard to the maximum extent allowed by State and federal law.
- Conduct DEQ review concurrently with federal environmental review and authorization processes, except when otherwise prohibited by State or federal law.
- Coordinate with federal agencies to use shared application materials, technical studies, environmental documents, public comments, and agency analyses to avoid duplicative review.
- Complete review of each complete application for a DEQ authorization consistent with the applicable FAST-41 permitting timetable.

If DEQ misses a final decision deadline for a DEQ authorization included in a FAST-41 permitting timetable by more than 30 days, the Secretary of Environmental Quality must submit a written report to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House Appropriations Committee on Agriculture and Natural and Economic Resources. The report must identify the critical energy infrastructure project, the missed deadline, the reason for the delay, any actions taken by DEQ to resolve the delay, and the expected date of final agency action.

This section became effective July 7, 2026, and applies to requests from project sponsors received by DEQ on or after that date.

Coastal Stormwater Retrofit Pilot Cost-Share Assistance Program. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.9

Section 12.9 of S.L. 2026-41 (Senate Bill 257) provides that funds granted to the North Carolina Coastal Federation, Inc. (Coastal Federation), as part of the Stormwater Retrofit Pilot Cost-Share Program (Program), can be used for time-limited positions within the Division of Energy, Mineral, and Land Resources (DEMLR) within the Department of Environmental Quality (DEQ) to provide compliance assistance for existing stormwater permit holders.

The section also provides the Director of DEMLR (Director) with the authority to approve, on a case-by-case basis, applications to modify an existing permit so long as those modifications will improve current performance. The Director can allow new technology or stormwater control measures that do not meet the criteria of rules or have not yet been approved by rule. A grantee that seeks to modify its permit must demonstrate specific information and criteria to the Director regarding eligibility, compliance, and performance.

The Program was established in the 2023 budget and allocated \$5 million to DEQ for directed grants to the Coastal Federation to provide grants to stormwater permittees with significant economic hardship.

This section of the act became effective July 1, 2026.

Establish Non-Title V Fees In Statute. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.11

Section 12.11 of S.L. 2026-41 (Senate Bill 257) codifies certain fees for non-Title V facilities^{[\[1\]](#)}, including:

- For facilities seeking federally enforceable limits to avoid Title V permitting, application fees of \$800 and annual fees of \$3,070.
- For facilities with a potential to emit below Title V thresholds, except for general permits, application fees of \$100 and annual fees of \$400.
- A fee for an ownership change of \$50.

The Department of Environmental Quality is authorized to provide a discount of up to 25% for certain fees.

This section became effective July 1, 2026.

^{[\[1\]](#)} Title V of the federal Clean Air Act generally requires permits for major stationary sources that emit or have the potential to emit 100 tons per year of any regulated pollutant, plus stationary and area sources that emit or have potential to emit lesser specified amounts of hazardous air pollutants. Non-Title V facilities are stationary sources that emit, or have the potential to emit, regulated air pollutants below major source limits.

Quadrennial Fee Modifications. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.12

Section 12.12 of S.L. 2026-41 (Senate Bill 257) provides that specific fees of the Department of Environmental Quality that can be adjusted every four years in accordance with the Consumer Price Index can only be increased to the extent that the fee does not exceed the cost of the service being provided. This section also adds G.S. 143-215.3(a)(1b) to the list of statutes whose fees and rates are subject to the quadrennial fee adjustment, which includes the maximum fees for processing air quality permit applications for non-Title V facilities as well as certain registration, permit administration, and compliance monitoring fees. The initial adjustment for these facilities can only reflect the change in the Consumer Price Index since July 1, 2026.

This section became effective July 1, 2026.

Revise Motor Vehicle Emissions Inspection Requirements – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.13

Section 12.13 of S.L. 2026-41 (Senate Bill 257) revises the current county-based motor vehicle emissions inspection requirement to be an area-based requirement for areas:

- Classified by the United States Environmental Protection Agency as not attaining the National Ambient Air Quality Standards for ozone or carbon monoxide (CO) and where the Environmental Management Commission (Commission) of the North Carolina Department of Environmental Quality determines that a motor vehicle emissions inspection program is required by federal law to achieve attainment with National Ambient Air Quality Standards
- That are currently attaining the National Ambient Air Quality Standards for ozone or CO, but where the Commission finds that motor vehicle emissions inspection programs are necessary to preclude a violation of a current or pending revision to National Ambient Air Quality Standards for ozone or CO.

The county-based to area-based emission inspection requirement change becomes effective 15 days after the date that the United States Environmental Protection Agency approves an amendment to the North Carolina State Implementation Plan that removes Mecklenburg County from the State's motor vehicle emissions inspection and maintenance program.

Downstream Inundation Maps. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.14

Section 12.14 of S.L. 2026-41 (Senate Bill 257) expands the allowable uses of funds from the Dam Safety Emergency Fund, administered by the Department of Environmental Quality (DEQ), to defray certain dam safety costs, to include the provision of technical assistance to dam owners

or operators with downstream inundation mapping requirements for intermediate or high hazard dams. This section would also exempt the provision of these downstream inundation mapping services by DEQ from the Umstead Act, which generally prohibits the State from offering goods or services in competition with private actors.

This section became effective July 1, 2026.

Scrap Tire Amendments – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.15

Section 12.15 of S.L. 2026-41 (Senate Bill 257) makes various changes to the Scrap Tire Disposal Account (Account). This section:

- Modifies the requirement that funds in the Account in excess of \$300,000 at the end of any fiscal year are transferred to the Highway Fund, to provide that only unencumbered and unobligated funds over \$300,000 transfer after a determination by the Secretary of Environmental Quality and the State Controller of the total net proceeds from the tax on scrap tires.
- Authorizes the Department of Environmental Quality (DEQ) to use a portion of revenue in the Account to clean up abandoned scrap tires where DEQ has determined the potential for a nuisance exists or a responsible party cannot be identified.
- Expands DEQ's authority to issue grants to encourage the use of processed scrap tire materials, by eliminating a prohibition on issuance of grants for the use of processed scrap tire materials to process tires.

This section became effective July 1, 2026.

UST Express Certification. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.16

Section 12.16 of S.L. 2026-41 (Senate Bill 257) expands the Department of Environmental Quality's (DEQ) express permit and certification review program to include underground storage tank (UST) installation and replacement certifications pursuant to DEQ's UST Program and sets the maximum fee for UST installation and replacement express certifications at \$4,000. UST permittees are also required to have received certification for all USTs installed or replaced at the facility, as well as pay the express review fee, as applicable, before being able to receive an operating permit from DEQ.

This section became effective July 1, 2026.

Clarify Requirements for Hazardous Waste Recycling. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.17

Section 12.17 of S.L. 2026-41 (Senate Bill 257) adds to the definition of "hazardous waste facility" any facility that receive shipments of hazardous waste from off-site to be recycled or processed at the facility.

This section became effective July 1, 2026.

Solid Waste Beneficial Reuse Clarification. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.18

Section 12.18 of S.L. 2026-41 (Senate Bill 257) amends a statute governing the regulation of certain wastes, and exclusions from regulation. The section modifies the treatment of "recovered material" to:

- Provide that recovered material^{[\[1\]](#)} is not subject to solid waste permitting requirements, and eliminate language providing that recovered material was not subject to regulation as a solid waste.
- Authorize the Department of Environmental Quality (Department) to require any person who owns or has control over material intended to be treated as recovered material to obtain a beneficial use determination from the Department. A person seeking a beneficial use determination must submit an application to the Department, and provide any information the Department can require. The Department can also require a demonstration that the solid waste is being managed in a manner to protect public health or the environment. The Department, after a review of an application, can take any of the following actions:
 - Authorize management of a specified type of nonhazardous solid waste at a site other than a permitted solid waste management facility.
 - Issue a beneficial use determination with appropriate conditions for use of specific types of solid waste in construction, land application, or other projects and applications, including requirements for testing of solid wastes.

Approvals granted pursuant to a beneficial use determination are valid for no longer than five years.

The recipient of an approval granted pursuant to a beneficial use determination must submit an annual report to the Department detailing the usage of material under the approval and certifying compliance with applicable requirements under statute and rule.

The Department can suspend or revoke an authorization and can modify an authorization if it is determined that the activity is not in compliance with the requirements of applicable laws or

rules or if new information is provided to the Department that impacts the determination of protection of public health or the environment.

This section becomes effective January 1, 2027.

[\[1\]](#) "Recovered material" is defined under the statutes as "a material that has known recycling potential, can be feasibly recycled, and has been diverted or removed from the solid waste stream for sale, use, or reuse."

Beach and Inlet Management Plan and Report. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.19

Section 12.19 of S.L. 2026-41 (Senate Bill 257) codifies a provision originally enacted in 2000 that required the Department of Environment and Natural Resources (now the Department of Environmental Quality (DEQ)) to compile and evaluate information on the conditions and erosion rates of beaches, on coastal geology, and on storm and erosion hazards for use in developing a State plan and strategy for beach management and restoration. This plan was to be updated every two years, and is now commonly referred to as the Beach and Inlet Management Plan (BIMP). In addition to codifying the 2000 legislation, this section also repeals a subsequent amendment to the 2000 legislation, makes conforming changes, and clarifies that the Department's BIMP includes a four-year cycle of planned maintenance and resiliency projects for the State's beaches and inlets.

DEQ must submit the BIMP to the General Assembly by July 1, 2027, and by March 1 of odd numbered years thereafter, with an interim report on the progress of revisions by December 1, 2026.

This section became effective July 1, 2026.

Extend Shellfish Lease Moratorium in the New Hanover County Area – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.20

Section 12.20 of S.L. 2026-41 (Senate Bill 257) extends the moratorium on new shellfish cultivation leases and new water column leases for aquaculture for the New Hanover County area until July 1, 2028.

This section became effective June 30, 2026.

Coastal Reserve Agency Authority. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.21

Section 12.21 of S.L. 2026-41 (Senate Bill 257) specifies that the Department of Environmental Quality (DEQ) administers the Coastal Reserve System (System) subject to: (i) use standards adopted by the Coastal Resources Commission (CRC); and (ii) permits and orders issued by the CRC concerning activities allowed in the System. For components of the System that are also dedicated nature preserves, DEQ serves as primary custodian. The Secretary of Natural and Cultural Resources must monitor these preserves and retain authority to report alleged violations of an approved management plan or articles of dedication, triggering a mediation process coordinated by the Department of Administration. If mediation is unsuccessful, the Department of Natural and Cultural Resources has standing and a right of action in superior court to enforce the articles of dedication.

The System was established "for the purpose of acquiring, improving, and maintaining undeveloped coastal land and water areas in a natural state." Prior to the change made by this section, the statutes provided that the System was administered by DEQ, but DEQ was directed to consult with and seek the ongoing advice of the CRC concerning activities allowed in the System.

This section became effective July 1, 2026.

AI Environmental Permit Review Pilot Program. – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 12.23

Section 12.23 of S.L. 2026-41 (Senate Bill 257) directs the Department of Environmental Quality (DEQ) to establish a pilot program to use AI-assisted software platforms to assist with environmental permitting programs. DEQ must contract with a third-party vendor for software that can provide AI-assisted review of permit and license applications across multiple environmental permitting programs, with an emphasis on data security and ability to facilitate improved accuracy and permit processing times. This contract is exempt from the statutes governing Purchases and Contracts and Public Contracts, but the section lists numerous minimum qualifications for the third-party vendor. Beginning March 1, 2027, DEQ must report quarterly to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Commission on Governmental Operations, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division on the status of the pilot program until the pilot program has been fully implemented.

This section became effective July 1, 2026.

DNCR Report on New/Expanded Facilities Costs – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 14.1

Section 14.1 of S.L. 2026-41 (Senate Bill 257) requires the Department of Natural and Cultural Resources (DNCR) to submit a report by December 15, 2026, to the Fiscal Research Division estimating the operating expenses associated with each newly established, expanded, or updated facility that DNCR anticipates will require additional appropriations for the 2027-2028 fiscal year.

This section became effective July 1, 2026.

Exempt Certain Department of Natural and Cultural Resources Divisions from Temporary Solutions Program – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 14.2

Section 14.2 of S.L. 2026-41 (Senate Bill 257) exempts the following divisions within the Department of Natural and Cultural Resources from the required use of the Temporary Solutions Program:

- Division of Parks and Recreation.
- Division of North Carolina Aquariums.
- Division of State Historic Sites.
- Division of State History Museums.
- North Carolina Museum of Art.
- North Carolina State Museum of Natural Sciences.
- North Carolina Zoological Park.
- Tryon Palace Commission.
- U.S.S. North Carolina Battleship Commission.

This section became effective July 1, 2026.

Aquarium and Zoo Repair and Renovation Project Authorization – 2026 Appropriations Act.

SL 2026-41 (S257), Sec. 14.11

Section 14.11 of S.L. 2026-41 (Senate Bill 257) allows the Secretary of Natural and Cultural Resources to approve the use of the North Carolina Aquariums Fund and North Carolina Zoo Fund for repair and renovation projects at aquariums-related facilities and at the North Carolina Zoological Park, respectively, for certain projects with a total cost of up to \$750,000, rather than \$500,000.

This section became effective July 1, 2026.

Increase Fines for Intentional or Reckless Littering. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 19

Section 19 of S.L. 2026-59 (Senate Bill 445) increases the fines for intentional or reckless littering to the following:

Litter Amount/Purpose	New First Violation Fine	New Subsequent Violation Fine
Less than 10 Pounds	\$1,000–\$3,000	\$3,000–\$5,000
10–500 Pounds	\$5,000–\$10,000	N/A
More than 500 Pounds or for Commercial Purpose	\$10,000–\$15,000	N/A

This section becomes effective December 1, 2026, and applies to offenses committed on or after that date.

Allow Liquefied Petroleum Gas Refills During Emergencies. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 26

Section 26 of S.L. 2026-59 (Senate Bill 445) provides a limited exception to the prohibition of disconnecting, interrupting or filling a liquified petroleum (LP) gas tank or system without supplier's consent, that allows a licensed LP gas dealer other than the owner or supplier of an LP gas tank or system (emergency supplier) to refill a customer's LP gas tank during qualifying emergencies. During a qualifying emergency, the emergency supplier may fill or refill the system's tanks with LP gas provided conditions, like limited supply, good faith efforts to procure delivery and obtain consent from the current supplier, temporary tags, and notification upon fill, are met.

This section also creates a de minimis exception for tanks or containers with a capacity less than 5 gallons, requires a tag, label, or other marking attached to the tank or container to include the name of the tank or container owner, requires a leak test when a new supplier takes over regular service for filling the tank or container, increases civil and criminal penalties for violations, and provides limited liability protections for emergency suppliers acting pursuant to the qualifying emergency refill exception.

This section also provides that the Department of Agriculture and Consumer Services can only issue warnings for the failure of a supplier to either attach the required tag, label, or other marking to the tank or container that includes the owner's name or conduct a leak test. The authority to issue warnings for violations expires December 1, 2027.

This section becomes effective December 1, 2026, and applies to offenses committed on or after that date.

Time Limit for Determining Noncommercial Underground Storage Tank Discharge Risk and Requiring Further Remediation for Certain Low-Risk Discharges. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 27

Section 27 of S.L. 2026-59 (Senate Bill 445) provides that for petroleum discharges or releases from noncommercial underground storage tanks (USTs) where the Environmental Management Commission (Commission) has received information from the owner, operator, or landowner necessary to determine the degree of risk to human health and the environment that is posed by the discharge, the Commission must, within five years of receipt of such information:

- Determine the level of risk of the discharge, and cleanup or other measures to be required; and,
- Notify the owner, operator, or landowner of that determination.

For a discharge determined to be low-risk from a noncommercial tank, if the Commission fails to notify the owner, operator, or landowner in the required timeframe, the Commission is prohibited from requiring cleanup, further cleanup, or further action, including filing of a Notice of Residual Petroleum, unless the Commission later determines that the discharge or release poses an unacceptable level of risk or a potentially unacceptable level of risk to human health or the environment, in which case the Commission must produce written findings of fact sufficient to demonstrate an unacceptable level of risk, or a potentially unacceptable level of risk.

This section became effective August 11, 2026, and applies to discharges occurring before, on, or after that date as follows:

- For discharges from noncommercial tanks occurring five or more years prior to the effective date of this section for which the Commission has not previously notified an owner, operator, or landowner of its determination as to the level of risk of the discharge, and actions required in response to the discharge, the Commission has until August 11, 2027 to notify the owner, operator, or landowner accordingly.
- For all other discharges occurring before August 11, 2026, for which the Commission has not previously notified an owner, operator, or landowner of its determination as to the level of risk of the discharge, and actions required in response to the discharge, the Commission has until August 11, 2031 to notify the owner, operator, or landowner accordingly.

Restore Fees for Commercial Underground Storage Tanks and No Quadrennial Adjustments. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 28

Section 28 of S.L. 2026-59 (Senate Bill 445) reduces the annual operating fee the Secretary of the Department of Environmental Quality (DEQ) can charge the owner or operator of a commercial petroleum underground storage tank (UST) for each UST from \$498 to \$420 and reduces the daily late penalty from \$6 to \$5. This section also eliminates DEQ's authority to adjust the UST fee every four years based on changes to the Consumer Price Index.

This section becomes effective October 1, 2026, and applies to any fees due on or after that date.

Recognition of Combined Wastewater Capacity; Compliance Review for Large On-Site Wastewater Systems. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 29

Section 29(a) of S.L. 2026-59 (Senate Bill 445) requires the Department of Environmental Quality (DEQ) and the Department of Health and Human Services (DHHS) to recognize combined treatment and disposal capacity for a wastewater facility where effluent is discharged, in whole or in part, through a DEQ permit and, in whole or in part, through a DHHS permit. Among other things, the section further provides:

- Each discharge or disposal remains subject to the substantive permitting authority, standards, and rules of the department and commission with jurisdiction over that discharge or disposal, and neither permitting authority can encroach upon, assert, or exercise the jurisdiction or enforcement authority of the other. The permitting, compliance, inspection, and enforcement authority of each permitting authority is limited to the portions of the facility and conditions of the permit subject to its jurisdiction.
- DEQ must issue permits, certificates of coverage, and authorizations for the extension of a sewer system to such a facility on the basis of the combined permitted capacity of that facility (under both DEQ and DHHS permits).
- DEQ and DHHS must enter into a memorandum of agreement establishing procedures for the reciprocal recognition of capacity as required by the provision.

Section 29(b) of S.L. 2026-59 (Senate Bill 445) amends the statute governing the engineered option permit (EOP) for on-site wastewater systems to provide that subsurface wastewater dispersal systems receiving effluent with a design daily flow greater than or equal to 25,000 gallons per day proposed to be constructed require a review by DHHS to ensure compliance with all applicable laws and rules. The review may include all supporting engineering, modeling, operational, monitoring, soils, site, hydrogeologic, treatment, and disposal information, as determined by DHHS. Upon completion of a compliance review, if DHHS finds that the proposed system complies with all applicable requirements, it must issue written confirmation accordingly.

DHHS retains authority to inspect, investigate, review, require corrective action, modify, suspend, revoke, rescind, invalidate, or otherwise enforce any permit, approval, authorization, engineered option permit, or capacity determination as authorized by law.

Sections 29(a) and (b) become effective October 31, 2026.

Guaranteed Energy Savings Contracts – Reform and Recodification. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Secs. 30-33

Section 30 of S.L. 2026-59 (Senate Bill 445) creates a new Part 3 in Article 3B of Chapter 143 entitled "Guaranteed Energy Savings Contracts" and recodifies existing law from Part 2 of that Article, "Energy Saving Measures for Governmental Units." This section also requires a governmental unit to issue requests for qualifications (RFQ) before entering a guaranteed energy savings contract, set minimum requirements for that RFQ, establish criteria for selecting a qualified provider, and follow other procedures concerning the review and selection of a qualified provider, including mandatory review by the State Energy Office.

Sections 31 and 32 of S.L. 2026-59 (Senate Bill 445) makes conforming changes.

Section 33 of S.L. 2026-59 (Senate Bill 445) requires the Department of Environmental Quality to adopt temporary rules and permanent rules to implement these changes.

Sections 30 through 33 became effective August 11, 2026.

Mining Permit Modifications. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 34

Section 34 of S.L. 2026-59 (Senate Bill 445) makes changes to the Mining Act, including all of the following:

- Exempts from the definition of "mining" activities undertaken at any time on the mine property for the production and harvesting of timber and timber products and conducted in accordance with standards defined by the Forest Practice Guidelines Related to Water Quality, as adopted by the Department of Agriculture and Consumer Services.
- Provides that requests for public hearing must be made within 30 days of receipt of notice (rather than within 30 days of issuance of the notice) from the chief administrative officer of each county and municipality in which any part of the permitted area is located and owners of land adjoining the proposed mine, and owners of land within specified proximity to the proposed mine.
- Provides that the Department of Environmental Quality (Department) cannot extend or alter public comment periods and time frames for conducting public hearings established by the applicable statutes.

- Adds language explicitly applying a statute governing all permits issued by the Department to the Mining Act, which provides that except to the extent required by federal or State law, the Department cannot refuse to accept an application for, nor refuse to issue, a new, modified, or transferred mining permit based solely on the failure of an applicant to obtain another permit, authorization, or certification required for the same project.
- Modifies timeframes for Department review of an application. It establishes specific time limits for the Department to review an application to determine whether it is administratively complete. Once the Department determines the application is complete a 60-day technical review period begins, during which the Department must issue or deny the permit. It also places additional timeframes and limits on subsequent requests for information from an applicant within the technical review period. The Department can, however, request additional information if required for the technical review based on any new information, changed circumstances, or changed designs provided by the applicant in a previous information submittal, and, where the Department identifies information that should have been requested, the Department can address this information by including conditions in or modifications to the permit upon issuance, but cannot deny the permit because of the missing information.

This section becomes effective October 1, 2026, and applies to permit applications filed on or after that date.

Exempt Certain Compost Facilities from Financial Assurance Requirements. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 35

Section 35 of S.L. 2026-59 (Senate Bill 445) exempts Small or Large Type 1^[1], and 2^[2] compost facilities from having to meet financial assurance requirements applicable to most solid waste facilities to ensure that costs will be covered, if necessary, for assessment and remediation in the event of a release of pollutants from a facility, closure of the facility in accordance with all applicable requirements, and post-closure monitoring and maintenance of the facility.

This section becomes effective December 1, 2026.

^[1] Type 1 facilities may receive yard and garden waste, silvicultural waste, and untreated and unpainted wood waste.

^[2] Type 2 facilities may receive pre consumer meat free food processing waste, vegetative agricultural waste, source separated paper, and other source separated specialty wastes that are low in pathogens and physical contaminants.

Align Statutory Reference with Presidential Executive Order 14172. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 36

Section 36 of S.L. 2026-59 (Senate Bill 445) changes a statutory reference, dealing with offshore oil and gas activities, from the "Gulf of Mexico" to the "Gulf of America," consistent with Presidential Executive Order 14172.

This section became effective August 11, 2026.

Move Arbor Week from March to November. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 37

Section 37 of S.L. 2026-59 (Senate Bill 445) moves Arbor Week from the week in March containing March 15 to the week in November containing November 15.

This section became effective August 11, 2026.

On-Site Wastewater Products for Stormwater. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 39

Section 39 of S.L. 2026-59 (Senate Bill 445) directs the Department of Environmental Quality (DEQ) to approve for use as a new stormwater technology any prefabricated permeable block panel system approved by the Commission for Public Health of the Department of Health and Human Services for use in the State. In developing Minimum Design Criteria (MDC) for this technology, DEQ must ensure that the MDC follows the manufacturer's installation and service requirements as closely as possible while still complying with federal requirements. A system approved pursuant to this authorization can be used by a professional engineer in certain traffic areas, provided the system meets certain structural loading requirements.

This section became effective August 11, 2026.

Implementation of Code Changes for Wall Insulation and Energy Rating Index Compliance Alternative. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Secs. 45-46

Section 45 of S.L. 2026-59 (Senate Bill 445) requires the Building Code Council and Residential Code Council (Councils) to amend their rules concerning building thermal envelopes to provide that installing air-impermeable spray foam insulation as cavity insulation, which meets R-13 in climate zones 3 and 4, and R-15 insulation in climate zone 5, without installation of additional

continuous insulation, is deemed to satisfy the R-value requirements for the wood frame wall in the appropriate climate zone, provided that the building envelope obtains an ACH50 blower door test result of less than or equal to 3.0.

Section 46 of S.L. 2026-59 (Senate Bill 445) specifies that the 2022 ANSI/RESNET/ICC Standard 301-2022 "Standard for the Calculation and Labeling of the Energy Performance Index of Dwelling and Sleeping Units." is the standard for calculating the Energy Rating Index, and eliminates other alternatives for determining energy efficiency in residential buildings.

These sections became effective August 11, 2026, and expire when the Councils adopt permanent rules implementing these changes.

Plumbing License Exemption for Certain Water and Sewer Line Connections Serving Mobile Homes. – Regulatory Reform Act of 2026.

SL 2026-59 (S445), Sec. 47

Section 47 of S.L. 2026-59 (Senate Bill 445) expands the limited exemptions from the licensure requirement of the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors for a person who installs or connects (i) a sanitary sewer line that serves a manufactured home and (ii) a water line serving a manufactured home that is not more than 100 linear feet between the existing water meter and point of connection so long as certain conditions are met, including compliance with the State Building Code.

This section of the act became effective August 11, 2026, and applies to work occurring on or after that date.