GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2007

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SENATE BILL 1362

Agriculture/Environment/Natural Resources Committee Substitute Adopted 5/15/07 Finance Committee Substitute Adopted 6/28/07 House Committee Substitute Favorable 7/19/07

Short Title:	Amend Dry-Cleaning Solvent Cleanup Act.	(Public)
Sponsors:		
Referred to:		

March 26, 2007

A BILL TO BE ENTITLED 1 2 AN ACT TO AMEND THE DRY-CLEANING SOLVENT CLEANUP ACT TO 3 CLARIFY THE DEFINITION OF DRY-CLEANING SOLVENT, TO 4 AUTHORIZE THE USE OF FUNDS FROM THE DRY-CLEANING SOLVENT 5 CLEANUP FUND FOR THE INVESTIGATION OF INACTIVE HAZARDOUS 6 WASTE DISPOSAL SITES REASONABLY **BELIEVED** TO BE 7 CONTAMINATED BY DRY-CLEANING SOLVENT, TO PROVIDE THAT ALL 8 SITE WORK WILL BE PERFORMED BY A PRIVATE CONTRACTOR 9 RETAINED BY THE ENVIRONMENTAL MANAGEMENT COMMISSION, TO 10 FINANCIAL RESPONSIBILITY REQUIREMENTS MODIFY THE 11 APPLICABLE TO POTENTIALLY RESPONSIBLE PARTIES, TO AUTHORIZE 12 TEMPORARY RULE MAKING, AND TO INCREASE THE ANNUAL 13 SPENDING CAP FOR THE CLEANUP OF SITES. 14 The General Assembly of North Carolina enacts: 15 **SECTION 1.** G.S. 143-215.104B(b) reads as rewritten: Unless a different meaning is required by the context, the following 16 "(b) 17 definitions apply in this Part. The definitions set out in this subsection apply only to the 18 implementation of this Part and do not define or limit the scope of any other remedial 19 program: 20 • • • 21 "Dry-cleaning solvent" means Perchloroethylene F-1,1,3 or 1,1,1 (9) 22 tricholorethane, a petroleum based solvent, another comparable 23 product used as a cleaning agentany hydrocarbon or halogenated 24 hydrocarbon used as a solvent in a dry-cleaning operation or the degradation products from these hazardous substances.solvents. 25

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1	(10)	"Dry-cleaning solvent assessment agreement" or "assessment
2		agreement" means an agreement between the Commission and a
3		potentially responsible party who desires to assessan assessment of
4		whether a release of dry-cleaning solvents at a dry-cleaning facility, an
5		abandoned dry-cleaning facility site, or a wholesale distribution
6		facility may be eligible for remediation under this Part and whether
7		any other contaminants that are identified in the agreement may
8		require remediation under other remedial programs operated or
9		administered by the Department.
10	•••	
11	(12)	"Dry-cleaning solvent remediation agreement" or "remediation
12		agreement" means an agreement between the Commission and a
13		potentially responsible party who desires to clean upthe cleanup of
14		dry-cleaning solvent contamination resulting from a release at a
15		dry-cleaning facility, an abandoned dry-cleaning facility site, or a
16		wholesale distribution facility under this Part and any other
17		contaminants that are identified in the agreement under other remedial
18		programs operated or administered by the Department.
19	(13)	"Facility" means a dry-cleaning facility or a wholesale distribution
20		facility.
21	(14)	"Fund" means the Dry-Cleaning Solvent Cleanup Fund.
22	· · ·	"Halogenated hydrocarbon" means any hydrocarbon where at least one
23	<u> </u>	hydrogen atom is substituted by a halogen atom.
24	(15)	"Hazardous waste" shall have has the same meaning ascribed to itas in
25		G.S. 130A-290.
26	(15a)	"Hydrocarbon" means any linear, branched, saturated, or unsaturated
27	<u>,/</u>	compound whose molecules contain only carbon and hydrogen atoms.
28	"	<u></u>
29	SECT	TION 2. G.S. 143-215.104C reads as rewritten:
30		C. Dry-Cleaning Solvent Cleanup Fund.
31		ion. – The Dry-Cleaning Solvent Cleanup Fund is established as a
32		fund to be administered by the Commission. Accordingly, revenue in
33		end of a fiscal year does not revert and interest and other investment
34		by the Fund must be credited to it. The Fund is created to provide
35	revenue to imple	•
36		es of Revenue. – The following revenue is credited to the Fund:
37	(1)	Dry-cleaning solvent taxes collected under Article 5D of Chapter 105
38	(1)	of the General Statutes.
39	(2)	Recoveries made pursuant to G.S. 143-215.104N and
40	(2)	G.S. 143-215.104O.
41	(3)	Gifts and grants made to the Fund.
42	(4)	Revenues credited to the Fund under G.S. 105-164.44E.
43	<u>(5)</u>	Application fees pursuant to G.S. 143-215.104F(a1).
	<u> </u>	

Disbursements. - A claim filed against the Fund may be paid only from 1 (c) 2 monies in the Fund and only in accordance with the provisions of this Part. Any 3 obligation to pay or reimburse claims against the Fund shall be expressly contingent 4 upon availability of monies in the Fund. Neither the State nor any of its agencies shall 5 have any obligation to pay or reimburse any costs for which monies are not available in 6 the Fund. The provisions of this Part shall not constitute a contract, either express or 7 implied, to pay or reimburse-costs in excess of the monies available in the Fund. In 8 making disbursements from the Fund, the Commission shall obligate monies to facilities 9 or sites with higher priority before facilities or sites of lower priority, and facilities or 10 sites with equal priority in the order in which the facilities or sites were prioritized until 11 the revenue is exhausted. Consistent with the provisions of this Part, the Commission 12 may disburse monies from the Fund to abate imminent hazards by dry-cleaning solvent 13 contamination at abandoned dry-cleaning facility sites that have not been certified. Up 14 to twenty percent (20%) of the amount of revenue credited to the Fund in a year may be 15 used to defray costs incurred by the Department and the Attorney General's Office in connection with administration of the program described in this Part, including 16 17 oversight of response activities.

18 (d) Up to one percent (1%) of the amount of the Fund balance may be used by 19 the Department in each fiscal year for investigation of inactive hazardous substance 20 disposal sites that the Department reasonably believes to be contaminated by dry-cleaning solvent. If the contamination is determined to originate from a 21 22 dry-cleaning facility, a potentially responsible party may petition for certification of the 23 facility or abandoned facility site. Acceptance of a petition shall be conditioned upon 24 the written acceptance by the petitioner of responsibility for the costs of investigation incurred by the Department pursuant to this subsection. Costs of investigation that are 25 26 recovered pursuant to this subsection shall not exceed, and shall be credited toward, the 27 financial responsibility of the petitioner pursuant to G.S. 143-215.104F(f). If a 28 potentially responsible party does not petition for certification of the facility or 29 abandoned facility site, the Commission may request the Attorney General to 30 commence a civil action to secure reimbursement of costs incurred under this 31 subsection."

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SECTION 3. G.S. 143-215.104D reads as rewritten:

33 "§ 143-215.104D. Powers of the Commission.

34 (a) Administrative Functions. – The Commission may delegate any or all of the
 35 powers enumerated in this subsection to the Department. The Commission shall:

- 36 (1) Accept petitions for certification and petitions to enter into
 37 dry-cleaning solvent assessment agreements or remediation
 38 agreements under this Part.
- 39 (2) Prioritize certified dry-cleaning facilities, certified wholesale
 40 distribution facilities, or certified abandoned dry-cleaning facility sites
 41 for the initiation of assessment or remediation activities that are
 42 reimbursable from the Fund.activities.
- 43(3)Develop forms to be used by persons applying for reimbursement of44assessment or remediation costs.

1	(4)	Sche	dule funding of assessment and remediation activities.
2	(5)	Dete	rmine whether assessment or remediation is necessary at a site at
3			h dry-cleaning solvent contamination has occurred.
4	(5a		r into contracts with private contractors for assessment and
5			diation activities at certified dry-cleaning facilities, certified
6		who	lesale distribution facilities, and certified abandoned dry-cleaning
7		facil	ity sites.
8	(6)	Dete	rmine that all necessary assessment and remediation has been
9			pleted at a contamination site.
10	(7)	-	e payments from the Fund to reimbursefor the costs of assessment
11		and 1	remediation.
12	(b) Ru	le makii	ng The Commission shall adopt rules as are necessary to
13			sions of this Part. Rules adopted by the Commission shall be
14	consistent w	ith and s	shall not duplicate, but may incorporate by reference, the rules
15	adopted by the	he Comm	nission for Health Services pursuant to Article 9 of Chapter 130A
16	of the Gener	al Statut	es. The Commission shall not delegate the rule-making powers
17	provided in t	his subse	ction.
18	(1)	The	Commission may adopt rules governing:
19		a.	Fees for response costs reimbursable under this Part.
20		b.	The certification and decertification of facilities or abandoned
21			sites.
22		c.	The prioritization of facilities or abandoned sites and
23			scheduling of funding for assessment and remediation activities.
24			These rules shall provide for:
25			1. Consideration of the degree of harm or risk to public
26			health and the environment.
27			2. Consideration of the order in which certification is
28			issued for the facility or abandoned site.
29			3. Consideration of the relative cost of assessment and
30			remediation activities.
31			4. Use of the Fund so as to maximize the reduction of harm
32			or risk posed by certified facilities, certified abandoned
33			sites, uncertified facilities and uncertified sites.
34		d.	The disbursement of revenue from the Fund for payment or
35			reimbursement of approved assessment or remediation costs.
36		e.	The determination whether assessment or remediation is
37			necessary at a contamination site.
38		f.	The determination that all necessary assessment and
39			remediation has been completed at a contamination site.
40		g.	The terms and conditions of dry-cleaning solvent assessment
41			agreements and remediation agreements.
42		h.	The determination whether additional assessment or
43			remediation is necessary at a contamination site previously
44			closed under this Part.

1	(2)	The C	ommission may adopt rules establishing minimum management
2			ces for handling of dry-cleaning solvent at dry-cleaning facilities
3		-	holesale distribution facilities. The rules may:
4		a.	Require that all perchloroethylene dry-cleaning machines
5		u.	installed at a dry-cleaning facility after the effective date of the
6			rule or temporary rule meet air emission standards that equal or
7			exceed the standards that apply to comparable dry-to-dry
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		1	refrigerated condensation.
10		b.	Prohibit the discharge of dry-cleaning solvents or water that
11			contains dry-cleaning solvents into sanitary sewers, septic
12			systems, storm sewers, or waters of the State.
13		c.	Require spill containment structures around dry-cleaning
14			machines, filters, stills, vapor adsorbers, solvent storage areas,
15			and waste solvent storage areas.
16		d.	Require floor sealants for cleaning room areas if the
17			Commission finds the sealants to be effective.
18		e.	Require, by 1 January 2002, the use of improved solvent
19			transfer systems to prevent releases at the time of delivery of
20			solvents to a dry-cleaning facility.
21		f.	Require any other solvent-handling practices the Commission
22			may find necessary and appropriate to minimize the risk of
23			releases at dry-cleaning facilities or wholesale distribution
24			facilities.
25	(3)	The C	ommission shall adopt rules establishing a risk-based approach
26	. ,		able to the assessment, prioritization, and remediation of
27			eaning solvent contamination resulting from releases at facilities
28		•	ndoned sites certified pursuant to G.S. 143-215.104G. The rules
29			ddress, at a minimum:
30		a.	Criteria and methods for determining remediation requirements,
31			including the level of remediation necessary to assure adequate
32			protection of public health and the environment.
33		b.	The circumstances under which information specific to the
34		01	dry-cleaning solvent contamination site should be considered
35			and required.
36		c.	The circumstances under which restrictions on the future use of
37		С.	any remediated dry-cleaning solvent contamination site should
38			be considered and required as a means of achieving and
39			maintaining an adequate level of protection for public health
40			and the environment.
40 41		d	
41 42		d.	Strategies for the assessment and remediation of dry-cleaning
			solvent contamination, including presumptive remedial
43			responses sufficient to provide an adequate level of protection
44			as described under sub-subdivision a. of this subdivision.

1	(a) All rules adopted by the Commission shall be applicable to all dry cleaning
2	(c) All rules adopted by the Commission shall be applicable to all dry-cleaning facilities, wholesale distribution facilities, and abandoned dry-cleaning facilities in the
23	• •
4	State and shall, to the maximum extent practicable, be cost-effective and technically feasible while protecting public health and the environment from the release of
4 5	
5 6	dry-cleaning solvents.
	(d) Unless otherwise provided in this Part, the Commission may delegate any of its rights, duties, and responsibilities under this Part to the Department."
7 8	
8 9	SECTION 4. G.S. 143-215.104F reads as rewritten:
9 10	"§ 143-215.104F. Requirements for certification, assessment agreements, and
10	remediation agreements.
	(a) <u>General Requirements. – Any person petitioning for certification of a facility</u>
12	or <u>an</u> abandoned site pursuant to G.S. 143-215.104G, for a dry-cleaning solvent
13	assessment agreement pursuant to G.S. 143-215.104H, or for a dry-cleaning solvent
14 15	remediation agreement pursuant to G.S. 143-215.104I, shall meet the requirements set
15	out in this section and any other applicable requirements of this Part.
16 17	(a1) <u>Application Fees. – Each person petitioning or co-petitioning for certification</u>
17	of a facility or an abandoned site pursuant to G.S. 143-215.104G shall pay an application for of one thousand dollars (\$1,000) to the Commission
18	application fee of one thousand dollars (\$1,000) to the Commission.
19 20	(b) Requirements for Potentially Responsible Persons Generally. – Every
20 21	petitioner shall provide the Commission with:
21	(1) Any information that the petitioner possesses relating to the
22	contamination at the facility or abandoned site described in the
23 24	petition.
24 25	(2) Information necessary to demonstrate the person's ability to incur the
23 26	response costs specified in subsection (f) of this section.
20 27	 (3) Repealed by Session Laws 2000, c. 19, s. 3. (4) Information necessary to demonstrate that the petitioner, and any
27	(4) Information necessary to demonstrate that the petitioner, and any parent, subsidiary, or other affiliate of the petitioner, has substantially
28 29	complied with:
29 30	a. The terms of any dry-cleaning solvent assessment agreement,
31	dry-cleaning solvent remediation agreement, brownfields
32	agreement, or other similar agreement to which the petitioner or
32 33	any parent, subsidiary, or other affiliate of the petitioner has
33 34	been a party.
35	b. The requirements applicable to any remediation in which the
36	petitioner has previously engaged.
30 37	c. Federal and State laws, regulations, and rules for the protection
38	of the environment.
39	(5) Evidence demonstrating that a release of dry-cleaning solvent has
40	occurred at the facility or abandoned site and that the release has
41	resulted in dry-cleaning solvent contamination.
42	(c) Requirement for Property Owners. – In addition to the information required
43	by subsection (b) of this section, a petitioner who is the owner of the property on which
44	the dry-cleaning solvent contamination identified in the petition is located shall provide
	are ary creating softent containington identified in the petition is focuted shall provide

1	the Commission a written agreement authorizing the Commission Commission or its				
2	the Commission a written agreement authorizing the Commission Commission, or its agent agent, and its private contractor to have access to the property for purposes of				
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4	conducting assessment or remediation activities or determining whether assessment or remediation activities are being conducted in compliance with this Part and any				
5	assessment agreement or remediation agreement.				
6	(c1) Costs incurred by the petitioner for activities to obtain certification of a				
7	facility or abandoned site shall not be reimbursable from the Fund.				
8	(d) The Commission shall-may reject any petition made pursuant to this Part in				
9	any of the following circumstances:				
10	(1) The petitioner is an owner or operator of the facility described in the				
11	petition and the facility was not being operated in compliance with				
12	minimum management practices adopted by the Commission pursuant				
13	to G.S. 143-215.104D(b)(2) at the time the contamination was				
14	discovered.				
15	(2) The petitioner is an owner or operator of the facility described in the				
16	petition and the petitioner owed delinquent taxes under Article 5D of				
17	Chapter 105 of the General Statutes at the time the dry-cleaning				
18	solvent contamination was discovered.				
19	(3) Repealed by Session Laws 2000, c. 19, s. 3.				
20	(e) The Commission may reject any petition made pursuant to this Part in any of				
21	the following circumstances:				
22	(1)(4) The petitioner fails to provide the information required by subsection				
23	(b) of this section.				
24	(2)(5) The petitioner falsified any information in its petition that was material				
25	to the determination of the priority ranking, the nature, scope and				
26	extent of contamination to be assessed or remediated, or the				
27	appropriate means to contain and remediate the contaminants.				
28	(f) Financial Responsibility Requirements. – Each potentially responsible person				
29	who petitions the Commission to certify a facility or abandoned site shall accept written				
30	responsibility in the amount specified in this section for the assessment or remediation				
31	of the dry-cleaning solvent contamination identified in the petition. If two or more				
32	potentially responsible persons petition the Commission jointly, the requirements below				
33	shall be the aggregate requirements for the financial responsibility of all potentially				
34 25	responsible persons who are party to the petition. Unless an alternative arrangement is				
35 26	agreed to by co-petitioners, the financial responsibility requirements of this section shall				
36 37	be apportioned equally among the co-petitioners. The financial responsibility required shall be as follows:				
38					
30 39	(1) For dry-cleaning facilities owned by persons who employ fewer than five full-time employees, or the equivalent, in activities related to				
40	dry-cleaning operations during the calendar year preceding the date of				
40 41	the petition, the first five thousand dollars (\$5,000) of the costs of				
42	assessment or remediation and one percent (1%) of the costs of				
43	assessment or remediation in excess of two hundred thousand dollars				
44	(\$200,000) but not exceeding one million dollars (\$1,000,000).				
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1	(2)	The shand and does also since for it to also and for does also since for it to be
1	(2)	For <u>abandoned</u> dry-cleaning facility sites and for dry-cleaning facilities
2		owned by persons who employ at least five but fewer than 10 full-time
3		employees, or the equivalent, in activities related to dry-cleaning
4		operations during the calendar year preceding the date of the petition,
5		the first ten thousand dollars (\$10,000) of the costs of assessment or
6		remediation, two percent (2%) of the costs of assessment or
7		remediation in excess of two hundred thousand dollars (\$200,000) but
8		not exceeding five hundred thousand dollars (\$500,000), and one and
9		<u>one-half percent (1%)-(1.5%)</u> of the costs of assessment or remediation
10		in excess of five hundred thousand dollars (\$500,000) but not
11		exceeding one million dollars (\$1,000,000).
12	(3)	For wholesale distribution facilities and for dry-cleaning facilities
13		owned by persons who employ 10 or more full-time employees, or the
14		equivalent, in activities related to dry-cleaning operations during the
15		calendar year preceding the date of the petition, the first fifteen
16		thousand dollars (\$15,000) of the costs of assessment or remediation,
17		three percent (3%) of the costs of assessment or remediation in excess
18		of two hundred thousand dollars (\$200,000) but not exceeding five
19		hundred thousand dollars (\$500,000), and one percent (1%) two
20		<u>percent (2%)</u> of the costs of assessment or remediation in excess of
21		five hundred thousand dollars (\$500,000) but not exceeding one
22		million dollars (\$1,000,000).
23	(4)	For wholesale distribution facilities and abandoned dry-cleaning
24	()	facility sites, the first twenty five thousands dollars (\$25,000) of the
25		costs of assessment or remediation, three percent (3%) of the costs of
26		assessment or remediation in excess of two hundred thousand dollars
27		(\$200,000) but not exceeding five hundred thousand dollars
28		(\$500,000), and one percent (1%) of the costs of assessment or
29		remediation in excess of five hundred thousand dollars (\$500,000) but
30		not exceeding one million dollars (\$1,000,000).
31	(g) Repea	aled by Session Laws 2000, c. 19, s. 3."
32		FION 5. G.S. 143-215.104H reads as rewritten:
33	"§ 143-215.104]	H. Dry-Cleaning Solvent Assessment Agreements.
34		ssment Agreements. – One or more potentially responsible parties may
35		mmission to enter into a dry-cleaning solvent assessment agreement
36		acility or abandoned site that has been certified pursuant to
37)4G. The Commission may, in its discretion, enter into an assessment
38		any potentially responsible party who satisfies the requirements of this
39	-	e applicable requirements of G.S. 143-215.104F. If more than one
40		onsible party petitions the Commission, the Commission may enter into
41		nent agreement with one or more of the petitioners. The Commission
42		sonably refuse to enter into an assessment agreement pursuant to this
43		ommission may require the petitioners to provide the Commission with
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44 any information necessary to demonstrate:

1	(1)	The priority ranking assigned to the facility or site is consistent with
2		the rules adopted by the Commission.
3	(2)	The projected schedule for funding of assessment activities is
4		adequate.
5	(3)	The assessment activities to be undertaken with respect to the
6		dry cleaning solvent contamination and any other contamination at the
7		contamination site are adequate.
8	(4)	The person who will be responsible for implementation of the
9		activities is capable and qualified to conduct the assessment.
10	(4a)	The amount of funds already expended by the petitioner for
11		assessment or remediation of dry-cleaning solvent contamination at the
12		facility or abandoned site.
13	(5)	The petitioner has and will continue to have available the financial
14		resources necessary to pay the costs of assessment activities and the
15		share of response costs imposed on the petitioner by
16		G.S. 143-215.104F.
17	(6)	The permits or other authorizations required to conduct the assessment
18		activities and to lawfully dispose of any hazardous substances or
19		wastes generated by the assessment activities have been or can be
20		obtained.
21	(7)	The assessment activities will not increase the existing level of public
22		exposure to health or environmental hazards at the contamination site.
23	(8)	The costs to be incurred in connection with the assessment activities
24		contemplated by the assessment agreement are reasonable and
25		necessary.
26	(9)	The petitioner has obtained the consent of other property owners to
27		enter into their property for the purpose of conducting assessment
28		activities specified in the assessment agreement.
29	(b) The t	erms and conditions of an assessment agreement regarding dry-cleaning
30	solvent contami	ination shall be guided by and consistent with the rules adopted by the
31	Commission pr	ursuant to G.S. 143-215.104D and the reimbursement disbursement
32	authorities and l	limitations set out in this Part. An assessment agreement shall, subject to
33	the availability	of monies from the Fund:
34	(1)	Repealed by Session Laws 2000, c. 19, s. 9.
35	(1a)	Require that the petitioner shall be liable to the Fund for an amount
36		equal to the difference, if any, between the applicable amount for
37		which the petitioner is responsible under G.S. 143-215.104F and the
38		amount reasonably paid by the petitioner for assessment or
39		remediation activities of the type specified in G.S. 143-215.104N(a)(1)
40		through (7) and that are otherwise consistent with the requirements of
41		this Part.
42	(2)	Provide for the prompt reimbursement of response costs incurred in
43		assessment activities that are found by the Commission to be
44		consistent with the assessment agreement and this Part.

(c) The Commission may refuse to enter into a dry-cleaning solvent assessment
 agreement with any petitioner if:
 (1) The petitioner will not accept financial responsibility for the

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- (2) The petitioner will not accept responsibility for conducting, supervising, or otherwise undertaking assessment activities required by the Commission.

petitioner's share of the response costs required by G.S. 143-215.104F.

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- (3) The petitioner fails to provide any information required by subsection(a) of this section.

10 (d) The refusal of the Commission to enter into a dry-cleaning solvent 11 assessment agreement with any petitioner shall not affect the rights of any other 12 petitioner under this Part, except that the refusal may be the basis for rejection of a 13 petition by any parent, subsidiary or other affiliate of the petitioner for the facility or 14 abandoned site.

15 (e) If the Commission determines from an assessment prepared pursuant to this 16 Part that the degree of risk to public health or the environment resulting from 17 dry-cleaning solvent contamination otherwise subject to assessment or remediation 18 under this Part and Article 9 of Chapter 130A is acceptable in light of the criteria 19 established pursuant to G.S. 143-215.104D(b)(3) and Article 9 of Chapter 130A, the 20 Commission shall issue a written statement of its determination and notify the owner or 21 operator of the facility or abandoned site responsible for the contamination that no 22 cleanup, no further cleanup, or no further action is required in connection with the 23 contamination.

(f) If the Commission determines that no remediation or further action is required in connection with dry-cleaning solvent contamination otherwise subject to assessment or remediation pursuant to this Part and Article 9 of Chapter 130A, the Commission shall not pay or reimburse any response costs otherwise payable or reimbursable under this Part from the Fund other than costs reasonable and necessary to conduct the risk assessment pursuant to this section and in compliance with a dry-cleaning solvent assessment agreement."

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SECTION 6. G.S. 143-215.104I reads as rewritten:

32 "§ 143-215.104I. Dry-Cleaning solvent remediation agreements.

33 Upon the completion of assessment activities required by a dry-cleaning (a) 34 solvent assessment agreement, one or more potentially responsible parties may petition 35 the Commission to enter into a dry-cleaning solvent remediation agreement for any 36 contamination requiring remediation. The Commission may, in its discretion, enter into 37 a remediation agreement with any petitioner who satisfies the requirements of this 38 section and the applicable requirements of G.S. 143-215.104F. If more than one 39 potentially responsible party petitions the Commission, the Commission may enter into 40 a single remediation agreement with one or more of the petitioners. The Commission 41 shall not unreasonably refuse to enter into a remediation agreement pursuant to this 42 section. The Commission may, in its discretion, enter into a remediation agreement that 43 includes the assessment described in G.S. 143-215.104H. Petitioners shall provide the 44 Commission with any information necessary to demonstrate:

1	(1)	Repealed by Session Laws 2000, c. 19, s. 10.
2	(2)	As a result of the remediation agreement, the contamination site will
3		be suitable for the uses specified in the remediation agreement while
4		fully protecting public health and the environment from dry-cleaning
5		solvent contamination and any other contaminants included in the
6		remediation agreement.
7	(3)	There is a public benefit commensurate with the liability protection
8		provided under this Part.
9	(4)	The petitioner has or can obtain the financial, managerial, and
10		technical means to fully implement the remediation agreement and
11		assure the safe use of the contamination site.
12	(5)	The petitioner has complied with or will comply with all applicable
13		procedural requirements.
14	(6)	The remediation agreement will not cause the Department to violate
15		the terms and conditions under which the Department operates and
16		administers remedial programs, including the programs established or
17		operated pursuant to Article 9 of Chapter 130A of the General
18		Statutes, by delegation or similar authorization from the United States
19		or its departments or agencies, including the United States
20		Environmental Protection Agency.
21	(7)	The priority ranking assigned to the facility or site is consistent with
22		the rules adopted by the Commission or the priority ranking that the
23		petitioner agrees to accept is consistent with the rules adopted by the
24		Commission.
25	(8)	The projected schedule for funding of remediation activities.
26	(9)	The petitioner will continue to have available the financial resources
27		necessary to satisfy the share of response costs imposed on the
28		petitioner by G.S. 143-215.104F.
29	(10)	The expenditures eligible for reimbursement from the Fund and to be
30		incurred in connection with the remediation agreement are reasonable
31		and necessary.
32	(11)	The consent of other property owners to enter into their property for
33		purposes of conducting remediation activities specified in the
34		remediation agreement.
35		gotiating a remediation agreement, parties may rely on land-use
36		will be included in a Notice of Dry-Cleaning Solvent Remediation
37	—	G.S. 143-215.104M. A remediation agreement may provide for
38		ccordance with standards that are based on those land-use restrictions.
39	•	-cleaning solvent remediation agreement shall contain a description of
40		on site that would be sufficient as a description of the property in an
41		nveyance and, as applicable, a statement of:
42	(1)	Any remediation, including remediation of contaminants other than
43		dry-cleaning solvents, to be conducted on the property, including:

1 2			a. A description of specific areas where remediation is to be conducted.
2			
3 4			1 5
4 5			c. The resources that the petitioner will make available and the degree to which the petitioner intends to rely on the Fund for
			degree to which the petitioner intends to rely on the Fund for
6 7			resources.
			d. A schedule of remediation activities.
8			e. Applicable remediation standards. Applicable remediation
9			standards for dry-cleaning solvent contamination shall not
10			exceed the requirements adopted by the Commission pursuant $t_0 \in S_{-142}(104D(h)(2))$
11			to G.S. $143-104D(b)(3)$.
12 13			f. A schedule and the method or methods for evaluating the remediation.
14		(2)	Any land-use restrictions that will apply to the contamination site or
15			other property.
16		(3)	The desired results of any remediation or land-use restrictions with
17			respect to the contamination site.
18		(4)	The guidelines, including parameters, principles, and policies within
19			which the desired results are to be accomplished.
20		(5)	The consequences of achieving or not achieving the desired results.
21		(6)	The priority ranking of the facility or abandoned site.
22		(7)	The person who will conduct the remediation if that person is not the
23			potentially responsible party entering the remediation agreement.
24	(d)	The	Commission may refuse to enter into a dry-cleaning solvent assessment
25	agreemen	nt or d	ry-cleaning solvent remediation agreement with any petitioner if: if
26		(1)	The petitioner will not accept financial responsibility for the share of
27			the response costs established in G.S. 143-215.104F. This requirement
28			shall not apply to a petitioner who (i) is the owner of property upon
29			which the dry-cleaning solvent contamination is located, and (ii) is not
30			a current or former owner or operator of a facility believed to be
31			responsible for the contamination.
32		(2)	The petitioner will not accept responsibility for conducting,
33			supervising, or otherwise undertaking remediation activities required
34			by the Commission.
35		(3)	The the petitioner fails to provide any information that is necessary to
36			demonstrate the facts required to be shown by subsection (a) of this
37			section.
38	(e)	In ac	ldition to the bases basis set forth in subsection (d) of this section, the
39	Commiss		ay refuse to enter into a dry-cleaning solvent remediation agreement with
40			of the property on which a contamination site is located if the owner
41			pt limitations on the future use of the property and to give notice of these
42		-	suant to G.S. 143-215.104M.
43	(f)	-	refusal of the Commission to enter into a dry-cleaning remediation

than any parent, subsidiary, or other affiliate of the petitioner, under this Part. The 1 2 refusal of the Commission to enter into a remediation agreement may be the basis for 3 rejection of a petition by any parent, subsidiary, or other affiliate of the petitioner for the 4 facility or abandoned site. 5 The terms and conditions of a dry-cleaning solvent remediation agreement (g) concerned with dry-cleaning solvent contamination shall be guided by and consistent 6 7 with the rules adopted by the Commission pursuant to G.S. 143-215.104D and the 8 reimbursement disbursement authorities and limitations set out in this Part. A 9 remediation agreement shall provide, subject to availability of monies in the Fund, for 10 prompt reimbursement of response costs incurred in assessment or remediation 11 activities that are found by the Commission to be consistent with the remediation 12 agreement and this Part. A remediation agreement may shall provide that the 13 Commission Commission's private contractor conduct assessment and remediation 14 activities at the facility or abandoned site. 15 Any failure of a petitioner or the petitioner's agents or employees to comply (h) 16 with the dry-cleaning solvent remediation agreement constitutes a violation of this Part by the petitioner." 17 18 **SECTION 7.** G.S. 143-215.104J(a) reads as rewritten: 19 "(a) The Commission may decertify a facility or abandoned site or renegotiate or 20 terminate an assessment agreement or remediation agreement with respect to any party 21 thereto in the following circumstances: 22 The owner or operator of the facility, at any time subsequent to the (1)23 certification of the facility, violates any of the minimum management 24 requirements adopted the by Commission pursuant to G.S. 143-215.104D(b)(2). 25 In the case of dry-cleaning contamination on property that is owned by 26 (2)27 a petitioner, the petitioner fails to file a Notice of Dry-Cleaning 28 Solvent Remediation, if required, as provided in G.S. 143-215.104M. 29 The potentially responsible persons who are parties to a dry-cleaning (3) 30 solvent assessment agreement are unable to reach an agreement with 31 the Commission to enter into a dry-cleaning solvent remediation 32 agreement within the time specified in the assessment agreement. 33 The payment of taxes assessed to the facility under Article 5D of (4) 34 Chapter 105 of the General Statutes is delinquent. 35 Repealed by Session Laws 2000, c. 19, s. 3. (5) 36 (6) The owner or operator fails to comply with all applicable requirements 37 of this Part to complete any assessment or remediation activities 38 required by or fails to comply with all applicable requirements of an 39 assessment agreement or remediation agreement. The owner or operator of a facility for which an assessment or 40 (7)41 remediation activity is scheduled or in progress transfers the ownership 42 or operation of the facility or abandoned site to another person without 43 the prior consent of the Commission and the execution of a substitute 44 assessment agreement or remediation agreement.

1	(8) The standards applied to the dry-cleaning solvent contamination
2	remediation or containment under the provisions of this Part and the
3	dry-cleaning solvent remediation agreement will, or are likely to, cause
4	the Department to fail to comply with the terms and conditions under
5	which it operates and administers a remediation program by delegation
6	or similar authorization from the United States or one of its
7	departments or agencies, including the Environmental Protection
8	Agency.
9	(9) <u>A petitioner fails to pay the Commission any amounts for which a</u>
10	petitioner is responsible pursuant to G.S. 143-215.104F."
11	SECTION 8. G.S. 143-215.104K(a) reads as rewritten:
12	"(a) A potentially responsible party who enters into an assessment agreement or
13	remediation agreement with the Commission and who is complying with the agreement
14	shall not be held liable for assessment or remediation of areas of contamination
15	identified in the agreement except as specified in the assessment agreement or
16	remediation agreement, so long as the any activities conducted at the contamination site
17	by or under the control or direction of the petitioner do not increase the risk of harm to
18	public health or the environment and the petitioner is not required to undertake
19	additional remediation to unrestricted use standards pursuant to subsection (c) of this
20	section. The liability protection provided under this Part applies to all of the following
21	persons to the same extent as the petitioner, so long as these persons are not otherwise
22	potentially responsible parties or parents, subsidiaries, or affiliates of potentially
23	responsible parties and the person is not required to undertake additional remediation to
24	unrestricted use standards pursuant to subsection (c) of this section:
25	(1) Any person under the direction or control of the petitioner who directs
26	or contracts for assessment, remediation, or redevelopment of the
27	contamination site.
28	(2) Any future owner of the contamination site.
29	(3) A person who develops or occupies the contamination site.
30	(4) A successor or assign of any person to whom the liability protection
31	provided under this Part applies.
32	(5) Any lender or fiduciary that provides financing for assessment,
33	remediation, or redevelopment of the contamination site.to the
34	petitioner to pay the petitioner's financial obligations under
35	<u>G.S. 143-215.104F.</u> "
36	SECTION 9. G.S. 143-215.104L reads as rewritten:
37	"§ 143-215.104L. Public notice and community involvement.
38	(a) If a petitioner desires to enter into a dry-cleaning solvent remediation
39	agreement based on remediation standards that rely on the creation of land-use
40	restrictions, the Commission or the Commission's private contractor on behalf of the
41	petitioner shall notify the public and the community in which the facility or abandoned
42	site is located of the planned remediation and redevelopment activities. The
43	petitionerOn behalf of the petitioner, the Commission or the Commission's private
44	contractor shall submit prepare a Notice of Intent to Remediate a Dry-Cleaning Solvent

Facility or Abandoned Site and a summary of the Notice of Intent to the 1 Commission.Intent. The Notice of Intent shall provide, to the extent known, a legal 2 3 description of the location of the contamination site, a map showing the location of the 4 contamination site, a description of the contaminants involved and their concentrations 5 in the media of the contamination site, a description of the future use of the 6 contamination site, any proposed investigation and remediation, and a proposed Notice 7 of Dry-Cleaning Solvent Remediation prepared in accordance with G.S. 143-215.104M. 8 Both the Notice of Intent and the summary of the Notice of Intent shall state the time 9 period and means for submitting written comment and for requesting a public meeting 10 on the proposed dry-cleaning solvent remediation agreement. The summary of the 11 Notice of Intent shall include a statement as to the public availability of the full Notice 12 of Intent. After approval of the Notice of Intent and summary of the Notice of Intent by 13 the Commission, the petitioner the Commission or the Commission's private contractor 14 shall provide a copy of the Notice of Intent to all local governments having jurisdiction 15 over the contamination site. The petitioner Commission or Commission's private contractor shall publish the summary of the Notice of Intent in a newspaper of general 16 17 circulation serving the area in which the contamination is located and shall file a copy 18 of the summary of the Notice of Intent with the Codifier of Rules, who shall publish the 19 summary of the Notice of Intent in the North Carolina Register. The petitioner 20 Commission or the Commission's private contractor shall also conspicuously post a 21 copy of the summary of the Notice of Intent at the contamination site.

22 Publication of the approved summary of the Notice of Intent in the North (b) 23 Carolina Register and publication in a newspaper of general circulation shall begin a 24 public comment period of at least 60 days from the later date of publication. During the 25 public comment period, members of the public, residents of the community in which the contamination site is located, and local governments having jurisdiction over the 26 27 contamination site may submit comment on the proposed dry- cleaning solvent 28 remediation agreement, including methods and degree of remediation, future land uses, 29 and impact on local employment.

30 Any person who desires a public meeting on a proposed dry- cleaning solvent (c) 31 remediation agreement shall submit a written request for a public meeting to the 32 Commission within 30 days after the public comment period begins. The Commission 33 shall consider all requests for a public meeting and shall hold a public meeting if the 34 Commission determines that there is significant public interest in the proposed 35 remediation agreement. If the Commission decides to hold a public meeting, the 36 Commission shall, at least 30 days prior to the public meeting, mail written notice of the 37 public meeting to all persons who requested the public meeting and to any other person 38 who had previously requested notice. The Commission shall also direct the petitioner to 39 publish, at least 30 days prior to the date of the public meeting, a notice of the public 40 meeting at least one time in a newspaper having general circulation in the county where 41 the contamination site is located. In any county in which there is more than one 42 newspaper having general circulation, the Commission shall direct the petitioner to 43 publish a copy of the notice in as many newspapers having general circulation in the 44 county as the Commission in its discretion determines to be necessary to assure that the

notice is generally available throughout the county. The Commission shall prescribe the 1 2 form and content of the notice to be published. The Commission shall prescribe the 3 procedures to be followed in the public meeting. The Commission shall take detailed 4 minutes of the meeting. The minutes shall include any written dry-cleaning solvent 5 remediation agreement. The Commission shall take into account the comment received 6 during the comment period and at the public meeting if the Commission holds a public 7 meeting. The Commission shall incorporate into the remediation agreement provisions 8 that reflect comment received during the comment period and at the public meeting to 9 the extent practical. The Commission shall give particular consideration to written 10 comment that is supported by valid scientific and technical information and analysis."

11

SECTION 10. G.S. 143-215.104M(a) reads as rewritten:

12 "(a) Land-Use Restriction. - In order to reduce or eliminate the danger to public 13 health or the environment posed by a dry-cleaning solvent contamination site, the owner 14 of property upon which dry-cleaning solvent contamination has been discovered may 15 prepare and submit to the Commission for approval file a Notice of Dry-Cleaning 16 Solvent Remediation approved by the Commission identifying the site on which the 17 contamination has been discovered and providing for current or future restrictions on 18 the use of the property. If a petitioner requests that a contamination site be remediated to 19 standards that require land-use restrictions, the owner of the property must file a Notice 20 of Dry-Cleaning Solvent Remediation for the remediation agreement to become 21 effective."

- 22 23
- 24 25

SECTION 11. G.S. 143-215.104N reads as rewritten:

Reimbursement Disbursement of dry-cleaning solvent "§ 143-215.104N. remediation costs; limitations; collection of assessment and reimbursement.cost recovery.

26 Reimbursement. Allowable Costs. - To the extent monies are available in the (a) 27 Fund for reimbursement of response costs, Fund, the Commission shall reimburse any 28 person, including a private contractor, responsible for implementing pay for reasonable 29 and necessary assessment and remediation activities at a contamination site associated 30 with a certified facility or a certified abandoned site pursuant to a dry-cleaning solvent 31 assessment agreement or dry-cleaning solvent remediation agreement for the following 32 assessment and remediation response costs, for which appropriate documentation is 33 submitted:

34 35

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37

- of (1)Costs assessment with respect to dry-cleaning solvent contamination.
- Costs of treatment or replacement of potable water supplies affected (2)by the contamination. Costs of remediation of affected soil, groundwater, surface waters,
- 38
- 39 40

41

- bedrock or other rock formations, or buildings. Monitoring of the contamination. (4)
- Inspection and supervision of activities described in this subsection. (5)
- Reasonable costs of restoring property as nearly as practicable to the 42 (6) 43 conditions that existed prior to activities associated with assessment 44 and remediation conducted pursuant to this Part.

(3)

1 2		(7)	Other activities reasonably required to protect public health and the environment.
3	(b)	Limi	tations. – Notwithstanding subsection (a) of this section, the Commission
4	. ,		any disbursement from the Fund:
5		(1)	For costs incurred in connection with facilities or abandoned sites not
6		(-)	certified pursuant to G.S. 143-215.104G.
7		(2)	For costs not incurred pursuant to a dry-cleaning solvent assessment
8		(-)	agreement or a dry-cleaning solvent remediation agreement.
9		(3)	For costs incurred in connection with dry-cleaning solvent
10		(0)	contamination from a facility or abandoned site for which funds
11			obligated by petitioners pursuant to a dry-cleaning solvent assessment
12			agreement or dry-cleaning solvent remediation agreement in
13			accordance with G.S. 143-214.104F(f) are overdue.
14		(4)	For costs at a contamination site that has been identified by the United
15		(.)	States Environmental Protection Agency as a federal Superfund site
16			pursuant to 40 Code of Federal Regulations, Part 300 (1 July 1996
17			Edition), except that the Commission may authorize distribution of the
18			required State match in an amount not to exceed two hundred thousand
19			dollars (\$200,000) per year per site. The Commission shall not
20			delegate its authority to disburse funds pursuant to this subdivision.
21		(5)	For remediation beyond the level required under the Commission's
22		(0)	risk-based criteria for determining the appropriate level of remediation.
23		(6)	For assessment or remediation response costs incurred in connection
24		(0)	with any individual dry-cleaning solvent assessment agreement or
25			dry-cleaning solvent remediation agreement in excess of two-five
26			hundred thousand dollars (\$200,000) (\$500,000) per year. However,
2 7			that the Commission may disburse up to four hundred thousand one
28			<u>million_dollars (\$400,000)(\$1,000,000)</u> per year for assessment and
29			remediation costs incurred in connection with a certified facility or a
30			certified an abandoned site that if the facility or abandoned site has
31			been certified and poses an imminent hazard.
32		(7)	That would result in a diminution of the Fund balance below one
33			hundred thousand dollars (\$100,000), unless an emergency exists in
34			connection with a dry-cleaning solvent contamination abandoned site
35			that constitutes an imminent hazard.
36		(8)	For any costs incurred in connection with dry-cleaning solvent
37			contamination from a facility located on a United States military base
38			or owned by the United States or a department or agency of the United
39			States.
40		(9)	For any costs incurred in connection with dry-cleaning solvent
41		~ /	contamination from a facility or abandoned site owned by the State or
42			a department or agency of the State.
43	(c)	The (Commission shall not pay or reimburse any response costs arising from a
44	· · ·		olvent assessment agreement or dry cleaning solvent remediation
		-	·

1 agreement until the petitioners who are party to the agreement have paid all sums due 2 under the agreement.

3 Each dry-cleaning solvent assessment agreement or dry-cleaning solvent (d) remediation agreements made by the Commission pursuant to this Part shall expressly 4 5 state that the Commission's obligation to reimburse response costs incurred pursuant to 6 these agreements shall be contingent upon the availability of monies from the Fund and 7 that the State and its departments and agencies have no obligation to reimburse 8 otherwise eligible expenses if monies are not available in the Fund to pay the 9 reimbursements. If, at any time, the Commission determines that the cost of assessment 10 and remediation activities reimbursable-incurred pursuant to existing dry-cleaning 11 solvent assessment agreements and dry-cleaning solvent remediation agreements equals 12 or exceeds the total revenues expected to be credited to the Fund over the life of the 13 Fund, the Commission shall publish notice of the determination in the North Carolina 14 Register. Following the publication of a notice pursuant to this section, the Commission 15 may continue to enter into dry-cleaning solvent assessment agreements and dry-cleaning solvent remediation agreements until the day of adjournment of the first regular session 16 17 of the General Assembly that begins after the date the notice is published, but shall have 18 no authority to enter into additional dry-cleaning solvent assessment agreements and 19 dry-cleaning solvent remediation agreements after that date unless the Commission first 20 determines either (i) that revenues will be available from the Fund to reimburse-pay the 21 costs of assessment and remediation activities expected to be reimbursable-incurred 22 pursuant to the agreements, or (ii) that assessment and remediation activities undertaken 23 pursuant to the agreements will be paid entirely from sources other than the Fund. For the purposes of this subsection, the term "day of adjournment" shall mean: (i) in the 24 25 case of a regular session held in an odd-numbered year, the day the General Assembly 26 adjourns by joint resolution for more than 10 days, and (ii) in the case of a regular 27 session held in an even-numbered year, the day the General Assembly adjourns sine die.

28 The Commission shall pay the reimbursable response costs of eligible parties (e) 29 as they are incurred. If the cleanup of the contamination site is not completed through 30 fault of the petitioner as required by the remediation agreement, the petitioner shall 31 reimburse the Fund for any response costs previously reimbursed disbursed from the 32 fund for the cleanup shall be repaid to the Fund, cleanup, with interest. The Commission 33 shall request the Attorney General to commence a civil action to secure repayment of 34 response costs and interest of the costs."

35

SECTION 12. G.S. 143-215.104T(b) reads as rewritten:

36 Notwithstanding the provision of the Tort Claims Act, G.S. 143-291 through "(b) 37 G.S. 143-300.1 or any other provision of law waiving the sovereign immunity of the 38 State of North Carolina, the State, its agencies, officers, employees, and agents shall be 39 absolutely immune from any liability in any proceeding for any injury or claim arising 40 from negotiating, entering into, implementing, monitoring, or enforcing a dry-cleaning 41 solvent assessment agreement, a dry-cleaning solvent remediation agreement, or a 42 Notice of Dry-Cleaning Solvent Remediation under this Part or any other action 43 implementing this Part." 44

SECTION 13. G.S. 105-187.31 reads as rewritten:

1 "§ 105-187.31. Tax imposed.

2 A privilege tax is imposed on a dry-cleaning solvent retailer at a flat rate for each 3 gallon of dry-cleaning solvent sold by the retailer to a dry-cleaning facility. An excise 4 tax is imposed on dry-cleaning solvent purchased outside the State for storage, use, or 5 consumption by a dry-cleaning facility in this State. The rate of the privilege tax and the 6 excise tax is ten dollars (\$10.00) for each gallon of halogenated hydrocarbon-based 7 dry-cleaning solvent that is chlorine based and one dollar and thirty-five cents (\$1.35) 8 for each gallon of hydrocarbon-based dry-cleaning solvent that is hydrocarbon-based. 9 solvent. These taxes are in addition to all other taxes."

10 **SECTION 14.** If the Environmental Management Commission adopts rules 11 establishing a risk-based approach applicable to the assessment, prioritization, and 12 remediation of dry-cleaning solvent contamination, the original notice of text for which 13 was published at 21 N.C. Reg. 1818 (April 16, 2007); the Rules Review Commission 14 approves these rules, including any changes incorporated as a result of public comments 15 or Rules Review Commission requirements; and the Rules Review Commission 16 receives 10 or more letters of objection to these rules in accordance with 17 G.S. 150B-21.3(b2), the Environmental Management Commission, notwithstanding the 18 requirements of G.S. 150B-21.1 and G.S. 150B-21.3, may adopt these rules as 19 temporary rules in accordance with the temporary rule-making procedures set out in 20 Chapter 150B of the General Statutes.

21 **SECTION 15.(a)** G.S. 143-215.104F(a1), as enacted by Section 4 of this act, 22 becomes effective on 1 September 2007 and applies to applications for certifications 23 made and assessment agreements and remediation agreements entered into on or after 24 that date. G.S. 143-215.104F(f), as amended by Section 4 of this act, is effective 25 retroactively to 1 August 2001 and applies to assessment agreements and remediation 26 agreements entered into on or after that date. The Environmental Management 27 Commission shall credit any payment received from a petitioner prior to 1 September 28 2007 against the petitioner's co-payment obligations under G.S. 143-215.104F, but the 29 Environmental Management Commission shall not repay, and this section shall not 30 operate to create any right for a petitioner to demand, any refund of funds received prior 31 to 1 September 2007. All other amendments to G.S. 143-215.104F, as enacted by 32 Section 4 of this act, are effective when this act becomes law.

33 **SECTION 15.(b)** G.S. 143-215.104N(b)(6), as enacted by Section 11 of this 34 act, is effective retroactively to 1 January 2007. All other amendments to 35 G.S. 143-215.104N, as enacted by Section 11 of this act, are effective when this act 36 becomes law.

37 SECTION 15.(c) Section 12 of this act becomes effective retroactively to 1
 38 January 1998.

39 **SECTION 15.(d)** Except as provided in subsections (a) through (c) of this 40 section, this act is effective when it becomes law.