

May 18, 2010

H 1771. ENCOURAGE WATER CONSERVATION IMPROVEMENTS. Filed 5/18/10. *AN ACT TO AUTHORIZE CITIES TO DESIGNATE AN AREA WITHIN THE CITY WHERE CITY OFFICIALS AND PROPERTY OWNERS MAY ENTER INTO CONTRACTUAL ASSESSMENTS TO FINANCE THE INSTALLATION OF WATER COLLECTION AND REUSE TECHNOLOGY, TO AUTHORIZE CITIES TO ESTABLISH A REVOLVING LOAN FUND TO FINANCE THE INSTALLATION OF WATER COLLECTION AND REUSE TECHNOLOGY, TO AUTHORIZE THE USE OF PROPERTY TAX REVENUE TO ESTABLISH EITHER AN ASSESSMENT OR REVOLVING LOAN PROGRAM TO FINANCE THE INSTALLATION OF WATER COLLECTION AND REUSE TECHNOLOGY, TO ALLOW SUCH PROGRAMS TO BE FUNDED THROUGH AN INCREASE IN WATER RATES, AND TO PROVIDE FOR A TAX CREDIT FOR THE PURCHASE, CONSTRUCTION, AND INSTALLATION OF CERTAIN WATER CONSERVATION SYSTEMS.*

Adds new GS 105-129.15 defining "water conservation system" as a system designed to provide for the collection and reuse on the premises of rainwater, constructed in accordance with standards for such systems promulgated by the Department of the Environment and Natural Resources or the Building Code Council.

Assessments. Amends GS 160A-239.2, GS 160A-239.4, and GS 153A-210.2 to authorize cities and counties to make special assessments for the purpose of financing capital costs for water conservation systems (along with renewable energy sources and energy efficiency improvements already permitted by the relevant sections).

Revolving loan programs. Enacts new GS 160A-320.1, GS 153A-289, and GS 162A-6.2 to authorize cities, counties, and water and sewer authorities to establish programs to finance the purchase and installation of water conservation systems that are permanently affixed to residential, commercial, or other real property. Authorizes cities and counties to use property tax revenue, Energy Efficiency and Conservation Block Grant Funds, or other unrestricted revenues to fund the loan programs, and authorizes water authorities to levy a surcharge of up to \$1 on its base rate for the purpose. Provides that loan rates may not exceed 8% and their terms may not exceed 15 years. Amends GS 160A-314 and GS 153A-277 to authorize cities and counties to levy the same surcharge of up to \$1 on water rates. Amends GS 160A-209(c) and GS 153A-149(c) to authorize cities and counties to use property tax revenues for the loan programs.

Tax credits. Adds new GS 105-129.161 to allow a credit equal to 35% of the cost of constructing, leasing, or purchasing a water conservation system at a taxpayer's residence or place of business. Restricts applicability of credit if the system was financed through a local government loan program. Provides for ceiling amounts of credit. Effective for taxable years beginning January 1, 2011, and expires January 1, 2016.

Authority for property tax levy is effective when the bill becomes law. Remainder of bill is effective October 1, 2010, unless otherwise indicated.

Intro. by K. Alexander.

GS 105, 153A, 160A, 162A

June 1, 2010

H 1771. ENCOURAGE WATER CONSERVATION IMPROVEMENTS. Filed 5/18/10. House committee substitute makes the following change to 1st edition. Changes the title to *AN ACT TO AUTHORIZE LOCAL GOVERNMENTS TO MAKE SPECIAL ASSESSMENTS, LEVY SURCHARGES TO WATER RATES, AND LEVY PROPERTY TAXES TO FUND THE INSTALLATION OF WATER CONSERVATION SYSTEMS AND TO ESTABLISH A TAX CREDIT FOR THE PURCHASE, CONSTRUCTION, AND INSTALLATION OF CERTAIN WATER CONSERVATION SYSTEMS.*