

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

H.B. 850
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30355-MH-60B

Short Title: Interbasin Transfer Moratorium/Study. (Public)

Sponsors: Representative Adams.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPOSE A MORATORIUM ON ISSUANCE OF CERTIFICATES FOR
3 CERTAIN SURFACE WATER TRANSFERS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Findings. – The General Assembly finds that the State's laws regulating
6 surface water transfers, originally enacted more than 30 years ago, should be comprehensively
7 reviewed and evaluated for updates in light of the State's tremendous economic and population
8 growth and the impact of natural disasters on riverine and water reservoir systems over that
9 period. In particular, the General Assembly finds that the approval of proposed transfers that are
10 significant in terms of their size compared to the overall hydrologic flow, current and future water
11 storage capacity, and cumulative water resources demands within the source river basin should
12 be temporarily paused while this review and evaluation is ongoing.

13 **SECTION 2.(a)** Study. – The North Carolina Collaboratory at the University of
14 North Carolina at Chapel Hill (Collaboratory) shall study the current statutory process for
15 approval of surface water transfers and provide any recommendations for legislation revising that
16 process that the Collaboratory finds is needed. As part of its study, the Collaboratory shall review
17 all of the following:

- 18 (1) The adequacy of the requirements for an environmental impact study set forth
19 in G.S. 143-215.22L(d) in ensuring that all impacts on upstream and
20 downstream users of water in the river basin are comprehensively and
21 equitably compiled and considered.
- 22 (2) Whether the information on which the Environmental Management
23 Commission (EMC) bases final certification decisions adequately takes into
24 account (i) issues of economic equity for lower income and lower population
25 communities in the source river basin that would experience potential impacts
26 on future economic growth due to the proposed transfer, (ii) negative impacts
27 of increases in water pollutant concentration caused by large surface water
28 transfers on riverine ecosystems, and (iii) whether the denial of the surface
29 transfer request would result in a substantial increase in utility rates or
30 otherwise cause a financial hardship due to alternative infrastructure
31 construction costs for the requesting party.
- 32 (3) Changes to the process needed to reflect the impact of recent climate trends
33 that impact the range of water flows in the State's mainstem rivers during
34 periods of extreme heat, drought, or flooding events.
- 35 (4) How to build into the certification process incentives for parties requesting
36 surface water transfers to implement land use, infrastructure, and drought



1 resiliency policies that will reduce the size of transfers needed to meet future
2 water demands.
3 (5) Any other matters the Collaboratory deems relevant to its efforts to increase
4 the fairness and effectiveness of the surface water transfer certification
5 requirements.

6 **SECTION 2.(b)** Consultation. – In conducting the study required by subsection (a)
7 of this section, the Collaboratory will consult with the Army Corps of Engineers and other private
8 or public entities with management responsibilities over water impoundments with respect to the
9 impact of significant surface water transfers, as defined in Section 3 of this act, on those
10 impoundments continuing to meet their present levels and future projected needs for
11 hydroelectric power generation and water supply.

12 **SECTION 2.(c)** Report. – The Collaboratory shall report its findings, together with
13 any proposed legislation, to the 2027 General Assembly upon its convening.

14 **SECTION 3.** Moratorium on Certain Surface Water Transfer Certificates. – In order
15 to permit sufficient time for the General Assembly to complete the study described in Section 2
16 of this act, the EMC shall not issue a certificate authorizing a significant new surface water
17 transfer or a significant increase in an existing surface water transfer until the end of the
18 moratorium provided in this section. The moratorium in this section shall end six months after
19 the submission of the report required by Section 2(b) of this act. For purposes of this section, a
20 proposed new or increased surface water transfer is significant if it would result in a total increase
21 in transfer between river basins, as defined in G.S. 143-215.22G, in excess of 15,000,000 gallons
22 per day.

23 **SECTION 4.** This act is effective when it becomes law.