

# Environment, Natural Resources, and Energy

See full summary documents for additional detail

## **H90 - Changes to Education and Election Laws. (SL 2018-2)**

S.L. 2018-2 does the following:

- Ensures local school administrative units (LEAs) in counties impacted by the Atlantic Coast Pipeline (ACP) are the sole recipients of the funds that are the subject of the Memorandum of Understanding (MOU) associated with the ACP
- Phases in class size requirements over a four-year time period
- Creates an allotment category for kindergarten through fifth grade program enhancement teachers separate from the classroom teacher allotment
- Authorizes local boards of education to transfer positions from the program enhancement allotment to the classroom teacher allotment
- Starting in 2021, allows program enhancement teachers for kindergarten through fifth grade to only be funded by the program enhancement allotment
- Phases in an appropriation for kindergarten through fifth grade program enhancement teachers over a period of four years
- Modifies eligibility criteria for personal education savings accounts (PESAs)
- Establishes a statutory appropriation for NC Pre-K
- Makes changes to the Bipartisan State Board of Elections and Ethics Enforcement (State Board)

This act has various effective dates. Please see the full summary for more detail.

## **H374 - Regulatory Reform Act of 2018. (SL 2018-114)**

S.L. 2018-114 amends State laws as follows:

- Allow electronic delivery of agency decision documents in contested cases
- Allow temporary food establishments to operate: (i) for up to 30 days, with a possible one-time 15-day extension, and (ii) operate at agritourism businesses
- Change the required office location for the North Carolina Board of Cosmetic Art Examiners from Raleigh to Wake County
- Amend the law on contracts with automatic renewal clauses to exempt real estate professionals from the applicable requirements
- Make motorcycle financing changes to exempt motorcycles with a purchase price of \$7,500 or more from the prohibition on balloon payments
- Add employees who install or service an electronic security system in a commercial business establishment to those persons who must be registered with the Alarm Systems Licensing Board
- Modify the timing for renewable precertification for persons transporting essentials or restoring utilities during emergency declarations
- Require the Division of Mitigation Services (DMS) to review and revise its bidding and contracting procedures for procurement of mitigation services
- Clarify improvement permit and construction authorization extensions for wastewater systems to provide that for purposes of extending a permit's duration, site activities begun or completed pursuant to requirements from the local health department under the original permit would not be construed to be altered conditions and cannot constitute a basis for refusal of the permit extension

- Require the Legislative Research Commission (LRC) to study mandatory connection authority relating to use of the engineer option permit for wastewater
- Revise wastewater permitting requirements
- Expand the definition of "accepted wastewater dispersal system" to include approved trench dispersal systems
- Cap Title V air quality permit fees for air curtain burners
- Require the Environmental Management Commission (EMC) to review local government implementation of certain water quality laws
- Authorize replacement of certain temporary erosion control structures
- Authorize certain coastal stormwater program variances
- Allow American eels to be imported from Maryland for aquaculture purposes
- Clarify applicability of institutional controls and notice recordation for aboveground tanks, and modify other requirements for underground storage tanks
- Expand exemptions for certain local governments' authority to enact flow control
- Clarify landfill life-of-site/franchise requirements for sanitary landfills
- Amend recoverable costs in the fuel clause rider for electric public utilities that have fewer than 150,000 North Carolina retail jurisdictional customers to include the cost of Public Utility Regulatory Policies Act of 1978 (PURPA) qualifying facilities (QF) purchased power, and subject them to the current 1% annual cap on cost increases
- Amend the process for vacancy appointments to the Utilities Commission and the Industrial Commission
- Adjust the number of assistant district attorneys in Prosecutorial Districts 10 and 22
- Exempt the personal property of charter schools from property tax so long as the property is wholly and exclusively used for educational purposes
- Amend legislation regarding maintenance of roads surrounding schools
- Repeal State Board of Education policies inconsistent with State law, as affirmed by the North Carolina Supreme Court, and address State Board of Education rules
- Prohibit the North Carolina Board of Funeral Service from revoking or refusing to renew a funeral license under certain circumstances

This act has various effective dates. Please see the full summary for details.

This bill was vetoed by the Governor on June 25, 2018. The veto was overridden by the General Assembly on June 27, 2018.

## **S99 - Appropriations Act of 2018.**

### **Sec. 5.6: Tax Deduction for Certain Hurricane Relief Payments. (SL 2018-5)**

Secs. 5.6(j) and 5.6(k) of the Appropriations Act of 2018, S.L. 2018-5, adds two tax deductions for hurricane relief payments from the State Emergency Response and Disaster Relief Reserve Fund:

- Individual taxpayers may deduct hurricane relief payments from adjusted gross income under new G.S. 105-153.5(b)(13) excluding payments for goods or services provided by the taxpayer.
- Corporate taxpayers may deduct hurricane relief payments from federal taxable income under new G.S. 105-130.5(b)(29) excluding payments for goods or services provided by the taxpayer.

The deductions are effective for taxable years beginning on or after January 1, 2017.

**S99 - Appropriations Act of 2018.**  
**Sec. 13.1: Water Safety. (SL 2018-5)**

OVERVIEW:

Sec. 13.1 of S.L. 2018-5, as amended by Sec. 4.4 of S.L. 2018-97, provides for the following measures:

- Authorizes the Governor to require a facility to cease all operations and activities that result in the production of a pollutant, under certain circumstances.
- Requires the Secretary of Environmental Quality (Secretary), upon direction of the Governor, to order any person who the Secretary finds responsible for the discharge or release of industrial waste that includes per- and poly-fluoroalkyl substances ("PFAS"), including the chemical known as "GenX" (chemical abstracts service (CAS) registry number 62037-80-3 or 13252-13-6), into the air, groundwater, surface water, or onto the land that results in contamination of a private drinking water well, to establish permanent replacement water supplies for each household with such a well.
- Establishes within the Department of Environmental Quality (DEQ) the PFAS Recovery Fund, and appropriate moneys to the Fund to provide funding to local governments for necessary expenditures that local governments may incur as a result of activities to connect households with drinking water wells contaminated with PFAS to public water supplies.
- Makes various appropriations to fund water quality sampling, remediation activities, and research, to address the presence of PFAS, including GenX, in drinking water resources in the State, including funds to:
  - The Cape Fear Public Utility Authority (Authority) for water quality sampling, and testing of treatment techniques, to address PFAS, including GenX.
  - The North Carolina Policy Collaboratory at The University of North Carolina at Chapel Hill (Collaboratory) for distribution to institutions of higher education in the State to perform targeted and non-targeted analysis for PFAS, including GenX, at all public water supply surface water intakes and one public water supply well selected by each municipal water system that operates groundwater wells for public drinking water supplies as identified by DEQ, and to perform research to address such contaminants.
  - DEQ for:
    - Positions and operations support of water quality sampling and targeted analysis of samples related to PFAS, including GenX.
    - Addressing permitting backlogs.
    - Sampling and analysis of atmospheric deposition of PFAS, including GenX.
    - Sampling and analysis of PFAS, including GenX, in groundwater wells, soil, and sediment.
    - Acquisition of a mass spectrometer to perform targeted analysis of water samples related to discharges of PFAS, including GenX.
  - Requires every applicant for a new permit, or permit renewal, of an individual National Pollutant Discharge Elimination System (NPDES) permit to submit documentation to DEQ in an electronic format to facilitate immediate public disclosure of the pollutants by certified test method included in the person's discharge.

## **S99 - Appropriations Act of 2018.**

### **Sec. 13.11: Volkswagen Settlement Fund. (SL 2018-5)**

The State of North Carolina is a beneficiary of the environmental mitigation trust (Volkswagen Trust) established in the consent decree resolving the extensive federal civil litigation concerning Volkswagen's marketing and emissions test practices for its line of "Clean Diesel" vehicles. The consent decree requires the Governor to designate a lead agency to prepare and implement a Beneficiary Mitigation Plan (Plan) for the use of over \$90 million designated for distribution to the State through the Volkswagen Trust.

Sec. 13.11 of S.L. 2018-5 provides the following directives and restrictions to the Department of Environmental Quality (DEQ) as the lead agency currently designated by the Governor:

- Revises language regarding approval of the Plan by the General Assembly in Section 13.2 of the Appropriations Act of 2017 (S.L. 2017-57) to specify that DEQ may not direct payment of funds received from the Volkswagen Trust to any third party until the funds are deposited in the State Treasury and appropriated by an act of the General Assembly.
- Allows DEQ to direct use of the funds as set forth in the Plan after its approval by the General Assembly and the appropriation of the funds.
- Establishes the Volkswagen Litigation Environmental Mitigation Fund as a special fund in the State Treasury to receive funds from the Trust and directs the State Controller to reserve in that Fund any funds received from the Trust.

This section became effective July 1, 2018.

### **S124 - LEO Managed CBD Oil Drop Box. (SL 2018-36)**

S.L. 2018-36 requires all residual oil from hemp extract that is lawfully possessed by a caregiver for treatment of a patient diagnosed with intractable epilepsy to be disposed of at a secure collection box that is managed by law enforcement, and requires neurologists approving dispensation to a caregiver of residual oil from hemp extract to inform the caregiver of this disposal requirement.

This act will become effective December 1, 2018.