

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 477

Agriculture/Environment/Natural Resources Committee Substitute Adopted 4/24/97

Short Title: Septic Tank Systems BMPs.

(Public)

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Sponsors:

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Referred to: Finance.

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March 25, 1997

A BILL TO BE ENTITLED

AN ACT TO DEVELOP GUIDELINES FOR BEST MANAGEMENT PRACTICES FOR THE INSTALLATION, REPAIR, REPLACEMENT, AND MAINTENANCE OF SEPTIC SYSTEMS AND TO PROVIDE TAX CREDITS FOR IMPLEMENTING BEST MANAGEMENT PRACTICES.

The General Assembly of North Carolina enacts:

Section 1. Article 11 of Chapter 130A of the General Statutes is amended by adding a new section to read:

**"§ 130A-345. Best Management Practices for Septic Tank Systems.**

(a) The Department shall develop guidelines for Best Management Practices for Septic Tank Systems. These guidelines shall apply to both the installation of new septic tank systems and the replacement or improvement of existing septic tank systems. These guidelines shall include standards for devices and practices relating to septic tank installation, operation, maintenance, and repair. These guidelines shall be supplemental to any rules governing the installation, operation, maintenance, or repair of septic tank systems adopted by the Commission.

(b) Devices or practices include, but are not limited to:

(1) Filters or other devices designed to improve the efficiency of septic tank systems.

- 1           (2) Risers or other devices designed to facilitate pumping.  
2           (3) Electronic warning devices that signal when the solid or liquid waste in  
3           the system has reached a level such that the septic tank needs to be  
4           pumped.  
5           (4) Alternative and innovative systems for improved wastewater treatment  
6           and disposal.  
7           (5) Any other approved technology or practice that demonstrates improved  
8           efficiency for septic systems.

9           (c) Any person who voluntarily implements Best Management Practices for Septic  
10 Tank Systems in the installation, replacement, or improvement of a septic tank system  
11 shall be eligible to receive a tax credit for qualifying expenditures as provided in G.S.  
12 105-151.27 or G.S. 105-130.43. Qualifying expenditures include installation, materials,  
13 and equipment costs necessary to install, replace, or improve a septic tank system in  
14 accordance with Best Management Practices for Septic Tank Systems. No tax credit  
15 shall be allowed unless the person implements all guidelines of Best Management  
16 Practices for Septic Tank Systems that apply to the particular installation, replacement, or  
17 improvement.

18           (d) This section shall not be construed to limit the authority of the Commission to  
19 adopt rules governing the installation, operation, maintenance, or repair of septic tank  
20 systems."

21           Section 2. Article 4 of Chapter 105 of the General Statutes is amended by  
22 adding a new section to read:

23 **"§ 105-151.27. Credit for implementation of Best Management Practices for Septic**  
24 **Tank Systems.**

25           A taxpayer who makes qualifying expenditures to implement Best Management  
26 Practices for Septic Tank Systems as provided in G.S. 130A-345 is allowed as a credit  
27 against the tax imposed by this Division an amount equal to fifty percent (50%) of the  
28 installation, materials, and equipment costs paid during the taxable year. This credit may  
29 not exceed two thousand dollars (\$2,000). The credit allowed by this section may not  
30 exceed the amount of tax imposed by this Division for the taxable year reduced by the  
31 sum of all credits allowable, except payments of tax by or on behalf of the taxpayer. To  
32 secure the credit allowed by this section, the taxpayer must own or control the site on  
33 which the septic tank system is installed, replaced, or improved in accordance with Best  
34 Management Practices for Septic Tank Systems at the time the septic tank system is  
35 installed, replaced, or improved."

36           Section 3. Article 4 of Chapter 105 of the General Statutes is amended by  
37 adding a new section to read:

38 **"§ 105-130.43. Credit for implementation of Best Management Practices for Septic**  
39 **Tank Systems.**

40           A taxpayer who makes qualifying expenditures to implement Best Management  
41 Practices for Septic Tank Systems as provided in G.S. 130A-345 is allowed as a credit  
42 against the tax imposed by this Division an amount equal to fifty percent (50%) of the  
43 installation, materials, and equipment costs paid during the taxable year. This credit may

1 not exceed two thousand dollars (\$2,000). The credit allowed by this section may not  
2 exceed the amount of tax imposed by this Division for the taxable year reduced by the  
3 sum of all credits allowable, except payments of tax by or on behalf of the taxpayer. To  
4 secure the credit allowed by this section, the taxpayer must own or control the site on  
5 which the septic tank system is installed, replaced, or improved in accordance with Best  
6 Management Practices for Septic Tank Systems at the time the septic tank system is  
7 installed, replaced, or improved."

8           Section 4. Section 1 of this act is effective when it becomes law. Sections 2  
9 and 3 of this act are effective for taxable years beginning on or after 1 January of the year  
10 following the year in which the Department of Environment, Health, and Natural  
11 Resources certifies to the Department of Revenue that guidelines for Best Management  
12 Practices for Septic Tank Systems have been developed, but in no event prior to 1  
13 January 1999.