

Session Laws		
Bill Number	Description	Status
<p>S 131 – Wells R – District 42 (Alexander, Catawba)</p>	<p>Regulatory Relief to Citizens of North Carolina. Imposes new time limitations against local governments in land use-type actions against the owner of property. Other provisions –</p> <ol style="list-style-type: none"> (1) Proposed amendments to the process for obtaining licensure as a general contractor (2) Provides for DEQ study of riparian buffers and circumstances under which local government should be allowed to exceed buffer requirements mandated by the State and federal government (3) Prevents DEQ from requiring mitigation for losses of 300 linear feet or less of stream bed (4) Excludes “landscaping material” from the definition of “built-upon area” in the North Carolina stormwater control program applicable to land-disturbing activity such that certain materials would not contribute to project density for purposes of determining applicable design requirements. (5) Exempts public water systems without a local water supply plan (i.e., noncommunity water systems, small community water systems) from the daily flow requirements imposed in the administrative code under certain circumstances (6) Prohibits DWR from requiring the use of on-site stormwater control measures to protect downstream WQS, except as required by state or federal law. (7) Consolidates or eliminates reports required from DEQ or EMC 	<p>02/23/2017 – Filed ... 3/15/2017 - Passed Senate 03/21/2017 - House Passed 1st Reading; Referred to Committee on Regulatory Reform 03/23/2017 – Reported Favorable with Committee substitute; House ruled material; re-referred to House Committee on Finance 04/05/17 – Amendments adopted 04/06/2017 – Passed House 04/11/2017 – Placed on calendar for Senate debate on 04/19/2017; failed to concur 4/19/17 - Conference Committee Appointed 4/27/17 Ratified 4/28/17 Presented to Governor Ch. SL 2017-10 on 05/04/2017</p>

<p>H 158 – Saine R – District 97 (Lincoln)</p> <p>Same as SB 118</p>	<p>Special Assessments/Critical Infrastructure. This bill would allow counties and cities to directly fund certain infrastructure projects (including water and sewer infrastructure) with private funds. If a board of commissioners or city council contracts with a private party to construct a project on behalf of the county or city, the county or city may impose a special assessment on benefitted property to reimburse the private party for its costs. The county or city is not obligated to reimburse the private party in excess of assessment revenues actually collected less related administrative costs. The bill preserves the existing prerequisites for a special assessment and adds a hearing requirement regarding a preliminary assessment resolution and before adopting a final assessment resolution.</p> <p>This bill also slightly modifies the sunset provision such that the article expires on July 1, 2020 for projects that have not been approved under a final assessment resolution.</p>	<p>02/21/17 – Filed 02/27/2017 - Reported Favorable Committee Substitute 02/28/2017 - Passed 2nd Reading: 106-8 03/01/2017 - Passed House: 109-8 03/02/2017 - Senate Passed 1st Reading; Referred to Committee on Rules and Ops 5/10/17 - Re-referred to Finance. If favorable, re-referred to Rules and Ops 5/24/17 - Re-referred to Committee on Rules and Ops 6/1/17 Reported favorable 06/05/2017 Senate Passed 2nd Reading 06/06/2017 Senate Amendment Adopted; Passed Senate; Engrossed 06/07/2017 Senate Regular Message Sent To House ; Regular Message Received For Concurrence in S Committee Sub 06/08/2017 House Cal Pursuant 36(b) 6/12/2017 House Concurred & Ordered Enrolled 6/14/17 Presented to Governor Ch. SL 2017-40 on 06/21/2017</p>
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<p>H 184 – Graham D – District 47 (Robeson)</p> <p>Similar to H 115.</p>	<p>Sewer & Stormwater Fee Collections for Certain Towns. This bill would authorize the towns of Bolton, La Grange, Fairmont, Pembroke, Proctorville, Rowland and St. Pauls to bill and collect stormwater fees as property taxes. Creedmoor, Durham, Winston-Salem, Butner, Garner, Kernersville, Knightdale, Morrisville, Stem, Wendell, Zebulon and Clemmons already have this ability.</p> <p>This bill would authorize Bolton, Fairmont, La Grange, Pembroke, Proctorville, Rowland and St. Pauls to collect delinquent sewer service charges in any manner by which delinquent personal or real property taxes can be collected. Locust, New London and Stanfield already have this ability.</p>	<p>02/22/2017 – Filed ... 04/11/2017 – Passed House; sent to Senate 04/13/2017 – Referred to Committee on Rules and Ops 05/16/2017 Re-referred to Finance; if favorable, re-refer to Rules and Ops 5/24/17 Re-referred to Finance. If favorable, re-refer to Rules and Ops 6/15/17 – Placed on calendar for 6/19/17 6/19/17 – Passed Senate 6/22/17 - Ch. SL 2017-44</p>
<p>HB 637 – Hall R – District 91 (Rockingham, Stokes)</p>	<p>Clarify Regional Water and Sewer Funds. Amends a 2016 session law providing for water and sewer funding to prescribe how certain funds may be used. It provides \$14.5 million for interconnection and extension of water lines and related system modifications involving Rockingham and Guilford Counties and listed municipalities.</p>	<p>04/06/2017 – Filed ... 04/27/2017 – Passed House; Special Message Sent To Senate ... 05/11/17 – Passed Senate 05/17/2017 – Presented to Governor 5/23/17 - Ch. SL 2017-17</p>
<p>HB 764 – McGrady R – District 117 (Henderson)</p>	<p>Expansion of MSD/Board Appointment. In the event a county is newly included in the territory of a metropolitan sewerage district, three additional board members are required to represent the new area.</p>	<p>04/11/2017 – Filed ... 04/25/2017 – Passed House ... 5/25/17 Passed Senate; Ordered Enrolled 06/08/2017 – Signed by Governor; Ch. SL 2017-26</p>
<p>Recent Activity</p>		

H 436 – Stevens
R – District 90 (Surry, Wilkes).

Summary: HB 436 would establish uniform authority for impact fees to be charged by publicly operated water and/or sewer systems. Under existing state law, as the Supreme Court made clear in *Quality Built Homes v. Town of Carthage*, only the following local governments have the general statutory authority to charge impact fees to pay for the costs of *future* expansion: (1) water and sewer authorities; (2) metropolitan water districts; (3) metropolitan sewage districts; (4) metropolitan water & sewerage districts; and (5) county water and sewer districts. If made law, HB 436 would enable cities, towns and counties to also charge impact fees to pay for future expansion.

Overview:

1. **Authorizes “local governmental units” to adopt “system development fees.”**
 - a. “Local government unit” includes NCWQA Members (defined as “any entity that owns or operates a facility pursuant to part 2 of Article 2 of Chapter 130A [Sanitary Districts], Article 15 of Chapter 153A [Counties], Article 16 of Chapter 160A [Cities and Towns], or Articles 1 [Water and Sewer Authorities], 4 [Metropolitan Water Districts], 5 [Metropolitan Sewerage Districts], 5A [Metropolitan Water and Sewerage Districts] or 6 [County Water and Sewer Districts] of Chapter 162A of the General Statutes”).
 - b. “System development fee” is defined as: “A charge or assessment for service imposed with respect to new development to fund costs of capital improvements necessitated by and attributable to such new development, to recoup costs of existing facilities which serve such new development, or a combination of those costs, as provided in this Article. The term includes amortized charges, lump-sum charges, and any other fee that functions as described by this definition regardless of terminology. The term does not include any of the following:
 - i. A charge or fee to pay the administrative, plan review, or inspection costs associated with permits required for development.

06/21/2017 – Senate withdrawn from Committee; re-referred to Finance. If favorable, re-referred to Rules and Operations of the Senate
06/26/2017 Senate Reported Favorable Committee Substitute; Committee Substitute Adopted; Senate Re-referred Committee On Rules and Operations of the Senate
06/27/2017 Senate Reported favorable
06/28/2017 Senate Amend Adopted; Senate Passed 2nd Reading; Passed 3rd Reading; Special Message Sent To House; Special Message Received For Concurrence in S Amend; House Cal Pursuant 36(b)
06/29/2017 House Concurred In S Amend; House Concurred In S/Committee Sub
06/29/2017 House Ordered Enrolled; **Presented to Governor**

	<ul style="list-style-type: none"> ii. <i>Tap or hookup charges for the purpose of reimbursing the local governmental unit for the actual cost of connecting the service unit to the system.</i> iii. <i>Availability charges.</i> iv. <i>Dedication of capital improvements on-site, adjacent, or ancillary to a development absent a written agreement providing for credit or reimbursement to the developer pursuant to G.S. 153A-280, 153A-451, 160A-320, 160A-499 33 or Part 3A of Article 18, Chapter 153A or Part 3D of Article 19, Chapter 160A of the General Statutes.</i> v. <i>Reimbursement to the local governmental unit for its expenses in constructing or providing for water or sewer utility capital improvements adjacent or ancillary to the development if the owner or developer has agreed to be financially responsible for such expenses; however, such reimbursement shall be credited to any system development fee charged as set forth in G.S. 162A-207(c).</i> <ol style="list-style-type: none"> 2. It clarifies that the statute of limitations is three years for repayment of an unlawful fee, charge or exaction imposed by a local unit of government. 3. It requires localities to calculate system development fees based on certain requirements (including, for example, that the final system development fee is per service unit of new development covering a planning horizon of not less than 10 years nor more than 20 years). 4. It requires application of a “revenue” credit and “construction or contribution credit” against the system development fee. While NCWQA Members resisted the mandatory application of these two credits, we think the bill now reflects an acceptable compromise. Specifically, it requires: <ul style="list-style-type: none"> a. A revenue credit against <i>“the projected aggregate cost of water or sewer capital improvements.”</i> This shall <i>“shall reflect a deduction of either the outstanding debt principal or the present value of projected water and sewer revenues received by the local governmental unit for the capital improvements necessitated by and attributable to such new development,</i> 	
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	<p><i>anticipated over the course of the planning horizon. In no case shall the credit be less than twenty-five percent (25%) of the aggregate cost of capital improvements."</i></p> <p>b. <i>A construction or contribution credit for "the value of costs in excess of the development's proportionate share of connecting facilities required to be oversized for use of others outside of the development. No credit will be applied, however, for water or sewer capital improvements on-site or to connect new development to water or sewer facilities."</i></p> <p>5. It requires a public notice and comment period when localities consider adopting a system development fee.</p> <p>6. It specifies that proceeds from system development fees be used for only certain expenses and that they be placed in the local governmental unit's capital reserve fund.</p> <p>7. It authorizes collection of system development fees at either the time of service connection or, for subdivision of land, at the time of plat recording or when the local governmental unit commits to providing water and sewer service.</p> <p>8. It requires all localities with a system development fee in effect prior to October 1, 2017, to conform the fee to the requirements set forth in HB 436.</p>	
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<p>H 576 – Dixon R – District 4 (Duplin, Wayne)</p>	<p>Allow Aerosolization of Leachate. This bill would direct DEQ to approve aerosolization of leachate from sanitary landfills as a method of disposal. If aerosolization results in effluent-free production or zero-liquid discharge, then no permit would be required under Article 21 (water pollution control) or Article 21B (air pollution control) of Chapter 143.</p>	<p>04/05/2017 – Filed ... 04/20/2017 House Reported Favorable Committee substitute; re-referred to Committee on Agriculture 04/21/2017 House Withdrawn from Comm; Referred to Committee on Environment 04/24/2017 House reported favorable Committee Sub 2 04/25/2017 House Amendment Failed; Passed House 04/26/2017 Senate Passed 1st Reading; Referred to Committee on Rules and Ops 05/17/2017 Re-referred to Agriculture/Environment/Natural Resources. If favorable, re-refer to Rules and Ops 5/31/17 – Reported favorably; re-referred to Committee on Rules and Ops 06/14/2017 – Senate Reported favorable 06/15/2017 – Senate Amendment tabled; amendment failed; passed 2nd reading; Passed Senate; ordered enrolled 6/19 Ratified 6/20 Presented to Governor 06/30/2017 Vetoed</p>
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<p>H 275 – Conrad R – District 47 (Forsyth)</p>	<p>No Stormwater Fees on Airport Taxiways or Runways Bill would exempt airports from paying stormwater utility fees levied by a county or city on its runways/taxiways. To qualify for the exemption, an airport must certify that it will use the savings to attract businesses to the airport. An airport receiving the exemption would be required to refund any amount not used to attract businesses. The remainder of airport property would be subject to stormwater fees.</p> <p>This bill would exempt a considerable portion of airport property from fees, and arguably, the portion most likely to contribute to stormwater pollution.</p>	<p>03/07/2017 – Filed ... 04/24/2017 Passed House 04/25/2017 Senate Passed 1st Reading; Referred to Committee on Rules and Ops 05/18/2017 Re-referred to Committee on Rules and Ops 6/15/17 – Placed on calendar for 6/19/17 6/19/17 – Withdrawn from calendar; placed on calendar for 6/21/17, then 6/22/17 6/22/17 – Passed 2nd reading; passed 3rd reading 06/27/2017 House Concurred In S/Committee Sub; Ordered Enrolled 06/28/2017 Ratified; Pres. To Gov. 6/28/2017</p>
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<p>S 107 – Wells R – District 42 (Anderson & Catawba)</p>	<p>Streamline Dam Removal. The bill would make certain dam removals eligible for Clean Water Management Trust Fund moneys if the removal would enhance or restore ecological functions or improve water quality. Primarily, however, the bill proposes to facilitate the removal of obsolete or unwanted dams by streamlining the removal of dams that are not used for flood control or hydroelectric power generation if the removal is designed and supervised by a professional engineer licensed under the General Statutes. It would also require the owner of any regulated dam to obtain a regular inspection by a professional engineer licensed under the General Statutes, and, finally, it directs the EMC to amend the Dam Height Rule to measure height from the lowest point on the crest of the dam.</p>	<p>02/16/2017 - Filed ... 04/20/2017 Senate reported favorable Committee substitute; Committee substitute adopted; re-referred to Committee on Finance 05/10/17 Reported favorable 05/11/2017 – Passed Senate 05/15/17 Referred to Committee on Rules, Calendar, and Ops 6/15/17 – Withdrawn from Committee; re-referred to Committee on Environment 06/22/2017 House Reported favorable Committee substitute; Calendar pursuant Rule 36(b); placed on Calendar for 06/26/2017 06/27/2017 Senate Placed on Cal for 06/28/2017 06/28/2017 Senate Concurred In H/Committee Sub; Ordered Enrolled 06/29/2017 Ratified; Pres. To Gov. 6/29/2017</p>
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<p>H 548 – Warren R – District 77 (Rowan)</p>	<p>Equalize Treatment of Wastewater Products. This bill proposes a revision to the sales tax exemption for all sales of wastewater dispersal products (instead of only those products made of more than 75% recycled material by weight) approved by the On-site Water Protection Branch of the Department of Health and Human Services under Article 11 of Chapter 130A. Wastewater systems designed to discharge effluent to surface waters or land surface are regulated under separate rules.</p>	<p>06/08/2017 Withdrawn from Comm; Re-referred to Finance, if favorable re-referred to Rules and Op of Senate 06/21/2017 Senate reported favorable; re-referred to Committee on Rules and Operations of the Senate 06/22/2017 Senate reported fav; placed on Calendar for 06/26/2017 06/26/2017 Senate passed 2nd Reading; passed 3rd Reading; Ordered Enrolled 06/27/2017 Ratified; Pres. To Gov. 6/27/2017</p>
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