GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1402 Committee Substitute Favorable 8/12/98 Committee Substitute #2 Favorable 8/24/98

Short Title: Disapprove/Revise Neuse River Basin Rule. Sponsors:	(Public)

May 21, 1998

A BILL TO BE ENTITLED 1 2 AN ACT TO DISAPPROVE 15A NCAC 2B.0233 (THE NEUSE RIVER NUTRIENT 3 SENSITIVE WATERS MANAGEMENT STRATEGY) AS A PERMANENT RULE, TO CONTINUE 15A NCAC 2B.0233 IN EFFECT AS A TEMPORARY 4 5 RULE. TO SPECIFY HOW THE TEMPORARY RULE IS IMPLEMENTED, TO REQUIRE THE ENVIRONMENTAL MANAGEMENT 6 7 COMMISSION (EMC) TO ADOPT RULES TO PROVIDE ALTERNATIVES TO 8 MAINTAINING RIPARIAN BUFFERS AND TO ESTABLISH COMPENSATORY 9 MITIGATION FEES. TO ESTABLISH THE RIPARIAN BUFFER RESTORATION 10 FUND, TO REQUIRE THE EMC TO ADOPT RULES TO PROVIDE FOR DELEGATION OF THE RIPARIAN BUFFER PROGRAM TO UNITS OF LOCAL 11 GOVERNMENT THAT SEEK SUCH DELEGATION, TO RECOGNIZE VESTED 12 DEVELOPMENT RIGHTS, TO REQUIRE THE EMC TO REVISE THE 13 TEMPORARY RULE CONTINUED IN EFFECT BY THIS ACT AND TO ADOPT 14 15 A REVISED PERMANENT RULE WITH THE ASSISTANCE OF A STAKEHOLDER ADVISORY COMMITTEE, TO PROVIDE THAT EROSION 16 17 CONTROL PLANS WILL BE CONSISTENT WITH RIPARIAN BUFFER REQUIREMENTS, TO REQUIRE THE EMC TO ESTABLISH A RIPARIAN 18

BUFFER MAINTENANCE AND RESTORATION GOAL, TO AUTHORIZE THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO ACCEPT DONATIONS OF REAL PROPERTY, TO PROVIDE FOR PERIODIC REVIEW OF THE IMPLEMENTATION OF THE NEUSE RIVER NUTRIENT SENSITIVE WATERS MANAGEMENT STRATEGY AND REPORTS TO THE ENVIRONMENTAL REVIEW COMMISSION, AND TO AUTHORIZE THE EMC TO ADOPT TEMPORARY RULES TO IMPLEMENT THIS ACT.

The General Assembly of North Carolina enacts:

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Section 1. **Definitions.** – Unless otherwise required by the context, the following definitions apply throughout this act:

- (1) "Commission" means the Environmental Management Commission.
- (2) "Department'means the Department of Environment and Natural Resources.
- (3) "Secretary'means the Secretary of Environment and Natural Resources.
- (4) "Temporary rule 15A NCAC 2B.0233"means 15A NCAC 2B.0233 (Neuse River Basin: Nutrient Sensitive Waters Management Strategy: Protection and Maintenance of Riparian Areas with Existing Forest Vegetation), adopted as a temporary rule by the Commission effective 22 July 1997, amended by the Commission effective 22 April 1998, and continued in effect by Section 2 of this act.
- Section 2. **Permanent rule disapproved; temporary rule continued in effect.** Pursuant to G.S. 150B-21.3(b), 15A NCAC 2B.0233 (Neuse River Basin: Nutrient Sensitive Waters Management Strategy: Protection and Maintenance of Riparian Areas with Existing Forest Vegetation), as amended by the Commission and approved by the Rules Review Commission on 19 February 1998, is disapproved as a permanent rule. Notwithstanding G.S. 150B-21.1(d), 15A NCAC 2B.0233 (Neuse River Basin: Nutrient Sensitive Waters Management Strategy: Protection and Maintenance of Riparian Areas with Existing Forest Vegetation), as amended by the Commission effective 22 April 1998, shall remain in effect as a temporary rule until the revised temporary rule required by Section 8 of this act becomes effective. The Commission and the Department shall implement temporary rule 15A NCAC 2B.0233 as provided in Section 3 of this act.
- Section 3. **Implementation of the temporary rule: determination of surface waters; forest vegetation defined.** (a) Until the effective date of the revised temporary rule that the Commission is required to adopt by Section 8 of this act, the Commission and the Department shall implement temporary rule 15A NCAC 2B.0233 as provided in this section.
- (b) For purposes of implementing temporary rule 15A NCAC 2B.0233, the presence of surface waters in the Neuse River Basin, including intermittent streams, perennial streams, lakes, ponds, and estuaries shall be determined solely as provided in this subsection and subsection (c) of this section. Surface water is presumed to be present on a particular parcel or tract of land if surface water appears on either the most recent versions of the soil survey maps prepared by the Natural Resources Conservation Service of the United States Department of Agriculture or the most recent versions of the

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1:24,000 scale (7.5 minute quadrangle) topographic maps prepared by the United States Geological Survey (USGS).

- The General Assembly recognizes that the soil survey maps and the USGS topographic maps may be in error in that these maps may indicate the presence of surface water where no surface water is actually present and may fail to indicate the presence of surface water where surface water is actually present. Any question as to the accuracy or application of the maps to a particular parcel or tract of land shall be referred to the Director of the Division of Water Quality of the Department. A determination of the Director as to the accuracy or application of the maps is subject to review as provided in Articles 3 and 4 of Chapter 150B of the General Statutes. The Commission shall make the final agency decision in a contested case involving a determination under this section. A determination of the presence of surface waters pursuant to this section applies only to the implementation of temporary rule 15A NCAC 2B.0233.
- (d) As used in temporary rule 15A NCAC 2B.0233, "forest vegetation" is not defined by 15A NCAC 2B.0202 but instead means vegetation consisting of trees and woody perennial plants with associated herbaceous vegetation in conjunction with a defined surface layer consisting of leaves, branches, and other plant material. "Forest vegetation"includes mature and successional forest areas and cutover areas.
- Section 4. Alternatives to maintaining riparian buffers; compensatory **mitigation fees.** – (a) The Commission shall establish a program to provide alternatives for persons who would otherwise be required to maintain existing riparian buffers and who can demonstrate that they have attempted to avoid and minimize the loss of the riparian buffer and that there is no practical alternative to the loss of the buffer. This program is intended to allow these persons to perform compensatory mitigation in lieu of complying with the requirements of the revised temporary rule and permanent rule required by Section 8 of this act. Alternatives shall include, but are not limited to:
 - Payment of a compensatory mitigation fee into the Riparian Buffer (1) Restoration Fund.
 - Donation of real property or of an interest in real property to the (2) Department, another State agency, a unit of local government, or a private nonprofit conservation organization if both the donee organization and the donated real property or interest in real property are approved by the Department. The Department may approve a done organization only if the donee agrees to maintain the real property or interest in real property as a riparian buffer. The Department may approve a donation of real property or an interest in real property only if the real property or interest in real property is either:
 - A riparian buffer that will provide protection of water quality that is equivalent to or greater than that provided by the riparian buffer that is lost; or
 - Will be used to restore, create, enhance, or maintain a riparian b. buffer that will provide protection of water quality that is

equivalent to or greater than that provided by the riparian buffer that is lost.

- (3) Establishment, restoration, or enhancement of a riparian buffer that is not otherwise required to be protected.
- (b) Compensatory mitigation is only available for loss of a riparian buffer along an intermittent stream. Compensatory mitigation shall be conducted within the Neuse River Basin.
- (c) The Commission shall establish a standard schedule of compensatory mitigation fees. The compensatory mitigation fee schedule shall be based on the area of the riparian buffer that is permitted to be lost and the cost to provide equivalent or greater protection of water quality by:
 - (1) Restoring existing riparian buffers.
 - (2) Acquiring land for and creation of new riparian buffers.
 - (3) Monitoring and maintaining the restored or created riparian buffers over time.
- (d) The Commission may adopt rules to implement this section and may recommend any legislation it determines to be necessary or desirable to achieve the purposes of this section. Rules to implement this section shall not be codified as a part of 15A NCAC 2B.0233 but shall be set out as a separately numbered rule.
- Section 5. **Riparian Buffer Restoration Fund.** (a) G.S. 143-214.15 through G.S. 143-214.20 are reserved for future codification purposes.
- (b) Part 1 of Article 21 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-214.21. Riparian Buffer Protection Program: Riparian Buffer Restoration Fund.

The Riparian Buffer Restoration Fund is established as a nonreverting fund within the Department. The Fund shall be treated as a special trust fund and shall be credited with interest by the State Treasurer pursuant to G.S. 147-69.2 and G.S. 147-69.3. The Riparian Buffer Restoration Fund shall provide a repository for monetary contributions to promote projects for the restoration, enhancement, or creation of riparian buffers and for compensatory mitigation fees paid to the Department. The Fund shall be administered by the Division of Water Quality within the Department. Monies shall be expended from the Fund only for those purposes directly related to the restoration, acquisition, creation, enhancement, and maintenance of riparian buffers to offset the benefits to water quality, including the removal of nutrients, lost through the loss of buffers. Compensatory mitigation fees paid into the Fund in connection with the loss of riparian buffers in a river basin and the interest earned on those fees may be used only for projects in that river basin."

Section 6. **Delegation of riparian buffer protection requirements to local governments.** – (a) The Commission may delegate responsibility for the implementation and enforcement of the State's riparian buffer protection requirements in the Neuse River Basin to units of local government that have the power to regulate land use. A delegation under this section shall not affect the jurisdiction of the Commission over State agencies

and units of local government. Any unit of local government in the Neuse River Basin that has the power to regulate land use may request that responsibility for the implementation and enforcement of the State's riparian buffer protection requirements be delegated to the unit of local government. To this end, units of local government may adopt ordinances and regulations necessary to establish and enforce the State's riparian buffer protection requirements.

- (b) Within 90 days after the Commission receives a complete application requesting delegation of responsibility for the implementation and enforcement of the State's riparian buffer protection requirement, the Commission shall review the application and notify the unit of local government that submitted the application whether the application has been approved, approved with modifications, or disapproved. The Commission shall not approve a delegation unless the Commission finds that local implementation and enforcement of the State's riparian buffer protection requirements will equal implementation and enforcement by the State.
- (c) If the Commission determines that any unit of local government is failing to implement or enforce the State's riparian buffer protection requirements, the Commission shall notify the unit of local government in writing and shall specify the deficiencies in implementation and enforcement. If the local government has not corrected the deficiencies within 90 days after the unit of local government receives the notification, the Commission shall rescind delegation and shall implement and enforce the State's riparian buffer protection program. If the unit of local government indicates that it is willing and able to resume implementation and enforcement of the State's riparian buffer protection requirements, the unit of local government may reapply for delegation under this section.
- (d) The Division of Water Quality in the Department shall provide technical assistance to units of local government in the development, implementation, and enforcement of the State's riparian buffer protection requirements.
- (e) The Commission may adopt rules to implement this section and may recommend any legislation it determines to be necessary or desirable to achieve the purposes of this section. Rules to implement this section shall not be codified as a part of 15A NCAC 2B.0233 but shall be set out as a separately numbered rule.
- Section 7. **Recognition of vested development rights.** (a) Vested rights recognized or established under the common law or by G.S. 153A-344(b), 153A-344.1, 160A-385(b), or 160A-385.1 shall include the right as provided in this section, to undertake and complete development in the Neuse River Basin without application of temporary rule 15A NCAC 2B.0233 and the revised temporary rule required by Section 8 of this act. The Commission and the Department shall not apply temporary rule 15A NCAC 2B.0233 and the revised temporary rule required by Section 8 of this act to development with vested rights recognized or established under G.S. 153A-344(b), 153A-344.1, 160A-385(b), or 160A-385.1 prior to 22 July 1997. The Commission and the Department shall not apply temporary rule 15A NCAC 2B.0233 and the revised temporary rule required by Section 8 of this act to development with vested rights recognized or established under the common law prior to the date this act becomes

effective if the Commission has issued a certification pursuant to G.S. 143B-282(a)(1)u. prior to 22 July 1997.

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The Commission shall not adopt rules that confer or restrict a vested right to undertake or complete development.

It is the intent of the General Assembly that this section apply only to the particular circumstances that are the subject of this act. This section does not establish a precedent as to the application of vesting under a zoning or land-use planning program

administered by a local government to any other environmental program.

Section 8. Revision of temporary rule 15A NCAC 2B.0233; adoption of a

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- permanent rule to replace the temporary rule. (a) The Commission shall revise temporary rule 15A NCAC 2B.0233 in accordance with this section. The Commission shall: (1) Establish a method for determining the presence of surface waters on a particular parcel or tract of land in the Neuse River Basin.
 - Commission shall establish a method that is scientifically valid, easily understandable, efficient, consistent, reliable, and cost-effective, including a method for resolving disputes regarding the presence of surface waters on any particular parcel or tract of land.
 - Establish methods to determine the point from which to measure the (2) landward extent of zones within a protected riparian buffer appropriate to the different regions of the Neuse River Basin.
 - Determine, based on drainage area, those segments of intermittent (3) streams to which the riparian buffer protection requirements do not The Commission may establish different drainage areas for segments of intermittent streams located in different parts of the Neuse River Basin on the basis of topography and other relevant factors.
 - **(4)** Define forest vegetation.
 - Establish a clearly defined set of exemptions and uses that will be (5) allowed within a riparian area.
 - Establish criteria to determine whether there exists a practical (6) alternative to the loss of the riparian buffer.
- All provisions that the Commission finds to be necessary to revise temporary rule 15A NCAC 2B.0233 and to implement the revised temporary rule shall be set out in the revised temporary rule. The Commission and the Department may develop and use guidance documents and other statements that concern only the internal management of the Commission and the Department. Neither the Commission nor the Department may develop or use any guidance document or other statement that directly or substantially affects the procedural or substantive rights or duties of any person not employed by the Commission or the Department unless those documents are set out in rules adopted in accordance with the provisions of Article 2A of Chapter 150B of the General Statutes.
- The Commission shall develop revisions to temporary rule 15A NCAC 2B.0233 with the assistance and advice of the Stakeholder Advisory Committee appointed for that purpose as provided in Section 10 of this act. Notwithstanding G.S.

150B-21.1(d), the revised temporary rule shall not expire until the permanent rule required by subsection (d) of this section becomes effective.

(d) Once temporary rule 15A NCAC 2B.0233 has been revised as required by this

(d) Once temporary rule 15A NCAC 2B.0233 has been revised as required by this section, the Commission shall proceed, in accordance with Article 2A of Chapter 150B of the General Statutes, with the adoption of a permanent rule to replace the revised temporary rule.

Section 9. Commission to review the implementation of the Neuse River Nutrient Sensitive Waters (NSW) Management Strategy. — The Commission shall review the implementation of the Neuse River Basin Nutrient Sensitive Waters (NSW) Management Strategy. As a part of this review, the Commission shall assess progress toward implementation of the Management Strategy, achievement of the nitrogen reduction goal established by Chapter 572 of the 1995 Session Laws (1996 Regular Session) and any other milestones related to the effort to improve water quality in the Neuse River and Neuse estuary established by the Commission, and the impact of the implementation of the Neuse River Nutrient Sensitive Waters (NSW) Management Strategy on the regulated community. The Commission shall report the results of this review, including any recommendations relative to water quality in the Neuse River and Neuse estuary, to the Environmental Review Commission no later than 1 December 2000. The Commission shall conduct a second review and report the results, including any recommendations, to the Environmental Review Commission no later than 1 December 2001.

Section 10. **Stakeholder Advisory Committee.** – (a) The Commission shall develop the rules required by Sections 4 and 6 of this act and the revisions to temporary rule 15A NCAC 2B.0233 and the permanent rule required by Section 8 of this act with the assistance of a Stakeholder Advisory Committee. The Stakeholder Advisory Committee shall consist of 23 members as follows:

- (1) A member of the public at large who shall serve as Chair of the Stakeholder Advisory Committee, appointed by the Secretary.
- (2) A member of the Environmental Management Commission, appointed by the Chair of the Commission.
- (3) The Director of the Division of Water Quality or the Director's designee.
- (4) The Chief, Regulatory Branch, Wilmington District, United States Army Corps of Engineers or the Chief's designee, if the Wilmington District office agrees to make an appointment.
- (5) The President of the North Carolina Association of Soil and Water Conservation Districts or the President's designee.
- (6) The Executive Director of the North Carolina Association of County Commissioners or the Executive Director's designee.
- (7) The Executive Director of the North Carolina League of Municipalities or the Executive Director's designee.
- (8) The Director of the Water Resources Research Institute of The University of North Carolina or the Director's designee.

- (9) The Chair of the Upper Neuse River Basin Association or the Chair's 1 2 designee. 3 (10)The President of the Lower Neuse River Basin Association or the 4 President's designee. 5 The President of the North Carolina Association of Environmental (11)6 Professionals or the President's designee. 7 The President of the North Carolina Chapter of the American Planning (12)8
 - Association or the President's designee.

 (13) The Executive Director of the North Carolina Aggregates Association, Inc., or the Executive Director's designee.
 - (14) The President of North Carolina Citizens for Business and Industry or the President's designee.
 - (15) The President of the North Carolina Farm Bureau Federation, Inc., or the President's designee.
 - (16) The Executive Vice-President of the North Carolina Forestry Association, Inc., or the Executive Vice-President's designee.
 - (17) The Executive Vice-President of the North Carolina Home Builders Association, Inc., or the Executive Vice-President's designee.
 - (18) A commercial land developer appointed by the Secretary.
 - (19) The President of the Conservation Council of North Carolina, Inc., or the President's designee.
 - (20) The Director of the North Carolina Environmental Defense Fund or the Director's designee.
 - (21) The President of the Neuse River Foundation, Inc., or the President's designee.
 - (22) The Chair of the North Carolina Chapter of the Sierra Club or the Chair's designee.
 - (23) The President of the North Carolina Wildlife Federation, Inc., or the President's designee.
 - (b) The Director of the Division of Water Quality of the Department shall assign appropriate professional and clerical staff to assist the Stakeholder Advisory Committee in the performance of its duties under this act.
 - (c) The Stakeholder Advisory Committee created by this section shall terminate when it makes its final recommendations to the Commission.
 - Section 11. Erosion control plans consistent with riparian buffer requirements. (a) G.S. 113A-54.1(c) reads as rewritten:
 - "(c) The Director of the Division of Land Resources shall disapprove an erosion control plan if the plan, when implemented, would result in a violation of rules adopted by the Environmental Management Commission to protect riparian buffers along surface waters. The Director of the Division of Land Resources may disapprove an erosion control plan upon finding that an applicant or a parent, subsidiary, or other affiliate of the applicant:

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- (1) Is conducting or has conducted land-disturbing activity without an approved plan, or has received notice of violation of a plan previously approved by the Commission or a local government pursuant to this Article and has not complied with the notice within the time specified in the notice;
- (2) Has failed to pay a civil penalty assessed pursuant to this Article or a local ordinance adopted pursuant to this Article by the time the payment is due;
- (3) Has been convicted of a misdemeanor pursuant to G.S. 113A-64(b) or any criminal provision of a local ordinance adopted pursuant to this Article; or
- (4) Has failed to substantially comply with State rules or local ordinances and regulations adopted pursuant to this Article."
- (b) G.S. 113A-61(b1) reads as rewritten:
- "(b1) A local government shall disapprove an erosion control plan if the plan, when implemented, would result in a violation of rules adopted by the Environmental Management Commission to protect riparian buffers along surface waters. A local government may disapprove an erosion control plan upon finding that an applicant or a parent, subsidiary, or other affiliate of the applicant:
 - (1) Is conducting or has conducted land-disturbing activity without an approved plan, or has received notice of violation of a plan previously approved by the Commission or a local government pursuant to this Article and has not complied with the notice within the time specified in the notice:
 - (2) Has failed to pay a civil penalty assessed pursuant to this Article or a local ordinance adopted pursuant to this Article by the time the payment is due:
 - (3) Has been convicted of a misdemeanor pursuant to G.S. 113A-64(b) or any criminal provision of a local ordinance adopted pursuant to this Article; or
 - (4) Has failed to substantially comply with State rules or local ordinances and regulations adopted pursuant to this Article."
- Section 12. **Temporary rules authorized.** (a) Notwithstanding G.S. 150B-21.1(a)(2) and 26 NCAC 2C.0102(11), the Commission may adopt temporary rules to implement this act and to correct other rules related to the Neuse River Nutrient Sensitive Waters (NSW) Management Strategy until 1 July 1999. It is the intention of the General Assembly that the Commission first address the revisions to temporary rule 15A NCAC 2B.0233 required by subdivision (1) of subsection (a) of Section 8 of this act and that the Commission adopt all temporary rules required by or necessary to implement this act no later than 15 February 1999.
- (b) Notwithstanding G.S. 150B-21.1(a)(2) and 26 NCAC 2C.0102(11), the Sedimentation Control Commission may adopt temporary rules to implement Section 11 of this act until 1 July 1999. It is the intention of the General Assembly that the

Sedimentation Control Commission adopt any temporary rules that may be necessary to implement Section 11 of this act no later than 15 February 1999. If the Sedimentation Control Commission determines that adoption of a temporary rule is necessary to implement Section 11 of this act, the Sedimentation Control Commission shall proceed, in accordance with Article 2A of Chapter 150B of the General Statutes, with the adoption of a permanent rule to replace the temporary rule. The Sedimentation Control Commission shall require local erosion control programs approved under G.S. 113A-60 to implement the requirements of G.S. 113A-61(b1), as amended by Section 11 of this act.

Section 13. **Department may accept donations of real property.** – The Department may accept donations of real property and interests in real property if the real property or interest in real property is a riparian buffer or will be used to restore, create, enhance, or maintain a riparian buffer that will provide protection of water quality.

Section 14. **Commission to establish riparian buffer maintenance and restoration goal.** – The Commission shall establish a goal for the maintenance and restoration of riparian buffers that is consistent with the thirty percent (30%) nitrogen reduction goal for the Neuse River estuary established by Chapter 572 of the 1995 Session Laws (1996 Regular Session).

Section 15. **Report on implementation of act to the Environmental Review Commission.** – The Commission and the Department shall jointly report to the Environmental Review Commission on progress in implementing this act on or before 1 December 1998 and 1 March 1999. The reports shall include any proposed legislation that the Commission or the Department recommends as necessary or desirable to achieve the purposes of this act, to improve water quality in the Neuse River or the Neuse estuary, or to better achieve the purposes of the Neuse River Nutrient Sensitive Waters (NSW) Management Strategy.

Section 16. **Repeal of unnecessary reporting requirement.** – Section 3 of Chapter 572 of the 1995 Session Laws (1996 Regular Session) is repealed.

Section 17. **Headings for convenience only.** – The headings to the sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act.

Section 18. **Severability provision.** – If any section or provision of this act is declared unconstitutional or invalid by the courts, the unconstitutional or invalid section or provision does not affect the validity of this act as a whole or any part of this act other than the part declared to be unconstitutional or invalid.

Section 19. **Effective date of act.** – This act is effective when it becomes law.