GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2017

H 3

HOUSE BILL 56 Committee Substitute Favorable 4/20/17 Third Edition Engrossed 4/24/17

Short Title: Amend Environmental Laws.	(Public)
Sponsors:	
Referred to:	
February 8, 2017	
A BILL TO BE ENTITLED	
AN ACT TO AMEND VARIOUS ENVIRONMENTAL LAWS.	
The General Assembly of North Carolina enacts:	
PART I. MODIFY REQUIREMENTS FOR PREPARATION OF EXACTION PLANS FOR DAM SAFETY SECTION 1. G.S. 143-215.31(a1) reads as rewritten: "(a1) The owner of a dam classified by the Department as a high-haza	
intermediate-hazard dam shall develop an Emergency Action Plan for the dam	
this subsection;	ation Dlan for
the dam within 90 days after the dam is classified as a high-haze intermediate-hazard dam to the Department and the Department Safety for their review and approval. The Department and the Public Safety shall approve the Emergency Action Plan if that it complies with the requirements of this subsection an public health, safety, and welfare; the environment; and natural	zard dam or an ment of Public Department of they determine and will protect al resources.
(2) The Emergency Action Plan shall include, at a minimum following:	m, all of the
a. A description of potential emergency conditions that of the dam, including security risks.	could occur at
b. A description of actions to be taken in response to condition at the dam.	
c. Emergency notification procedures to aid in warning ar during an emergency condition at the dam.	nd evacuations
d. A downstream inundation map depicting areas affect failure and sudden release of the impoundment. A inundation map prepared pursuant to this section does preparation by a licensed-professional engineer or a peresponsible charge of a licensed-professional engineer or is associated with a coal combustion residuals surface as defined by G.S. 130A-309.201.G.S. 130A-309. Department determines that preparation by a profession a person under the responsible charge of a profession	A downstream does not require erson under the unless the dam impoundment, 0.201, or the nal engineer or



4 5

6

7

8

9

10 11

12

13

14

15

16 17

18

19 20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41 42

43

44

45 46

47

48

49 50

51

necessary to protect public health, safety, and welfare; the environment; or natural resources.

- (3) The owner of the dam shall update the Emergency Action Plan annually and shall submit it to the Department and the Department of Public Safety for their review and approval within one year of the prior approval.
- (4) The Department shall provide a copy of the Emergency Action Plan to the regional offices of the Department that might respond to an emergency condition at the dam.
- (5) The Department of Public Safety shall provide a copy of the Emergency Action Plan to all local emergency management agencies that might respond to an emergency condition at the dam.
- (6) Information included in an Emergency Action Plan that constitutes sensitive public security information, as provided in G.S. 132-1.7, shall be maintained as confidential information and shall not be subject to disclosure under the Public Records Act. For purposes of this section, "sensitive public security information" shall include Critical Energy Infrastructure Information protected from disclosure under rules adopted by the Federal Energy Regulatory Commission in 18 C.F.R. § 333.112."

PART II. FINANCIAL ASSURANCE MODIFICATIONS FOR RISK-BASED CLEANUPS

SECTION 2. G.S. 130A-310.72 reads as rewritten:

"§ 130A-310.72. Financial assurance requirement.

The person conducting remediation of a contaminated industrial site pursuant to the provisions of this Part shall establish financial assurance that will ensure that sufficient funds are available to implement and maintain the actions or controls specified in the remedial action plan for the site. The person conducting remediation of a site may establish financial assurance through one of the following mechanisms, or any combination of the following mechanisms, in a form specified or approved by the Department: insurance products issued from entities having no corporate or ownership association with the person conducting the remediation; funded trusts; surety bonds; certificates of deposit; letters of credit; corporate financial tests; local government financial tests; corporate guarantees; local government guarantees; capital reserve funds; or any other financial mechanism authorized for the demonstration of financial assurance under (i) 40 Code of Federal Regulations Part 264, Subpart H (July 1, 2010 Edition) and (ii) Section .1600 of Subchapter B of Chapter 13 of Title 15A of the North Carolina Administrative Code. Proof of financial assurance shall be provided in the remedial action plan and annually thereafter on the anniversary date of the approval of the plan. The Department may waive the requirement for a person conducting remediation of a contaminated site pursuant to the provisions of this Part to establish or maintain financial assurance if the Department finds that the only actions or controls to be implemented or maintained as part of the remedial action plan for the site include either or both of the following:

- (1) Annual reporting of land-use controls.
- (2) The maintenance of durable or low-maintenance covers for contaminated soil."

PART III. REPEAL OBSOLETE HAZARDOUS WASTE PROVISIONS

SECTION 3.(a) G.S. 130A-294(k) is repealed. **SECTION 3.(b)** G.S. 130A-309.17 is repealed.

PART IV. LAND-USE RESTRICTIONS FOR PROPERTY CONTAMINATED BY A NON-UST PETROLEUM DISCHARGE OR RELEASE

3

4

5

6

7

8

9

10

11

12 13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44 45

46 47

48

49

50

51

SECTION 4.(a) G.S. 143B-279.9(b) reads as rewritten:

"§ 143B-279.9. Land-use restrictions may be imposed to reduce danger to public health at contaminated sites.

- The definitions set out in G.S. 143-215.94A apply to this subsection. A remedial (b) action plan for the cleanup of environmental damage resulting from a discharge or release of petroleum from an underground storage tank pursuant to Part 2A of Article 21A of Chapter 143 of the General Statutes Statutes, other petroleum sources, or from an aboveground storage tank pursuant to Part 7 of Article 21A of Chapter 143 of the General Statutes must include an agreement by the owner, operator, or other party responsible for the discharge or release of petroleum to record a notice of any applicable land-use restrictions that meet the requirements of this subsection as provided in G.S. 143B-279.11. All of the provisions of this section shall apply except as specifically modified by this subsection and G.S. 143B-279.11. Any restriction on the current or future use of real property pursuant to this subsection shall be enforceable only with respect to: (i) real property on which the source of contamination is located and (ii) any real property on which contamination is located at the time the remedial action plan is approved and that was owned or controlled by any owner or operator of the underground storage tank or other responsible party at the time the discharge or release of petroleum is discovered or reported or at any time thereafter. No restriction on the current or future use of real property shall apply to any portion of any parcel or tract of land on which contamination is not located. This subsection shall not be construed to require any person to record any notice of restriction on the current or future use of real property other than the real property described in this subsection. For purposes of this subsection and G.S. 143B-279.11, the Secretary may restrict current or future use of real property only as set out in any one or more of the following subdivisions:
 - (1) Where soil contamination will remain in excess of unrestricted use standards, the property may be used for a primary or secondary residence, school, daycare center, nursing home, playground, park, recreation area, or other similar use only with the approval of the Department.
 - (2) Where soil contamination will remain in excess of unrestricted use standards and the property is used for a primary or secondary residence that was constructed before the release of petroleum that resulted in the contamination is discovered or reported, the Secretary may approve alternative restrictions that are sufficient to reduce the risk of exposure to contaminated soils to an acceptable level while allowing the real property to continue to be used for a residence.
 - (3) Where groundwater contamination will remain in excess of unrestricted use standards, installation or operation of any well usable as a source of water shall be prohibited.
 - (4) Any restriction on the current or future use of the real property that is agreed upon by both the owner of the real property and the Department.

Except with respect to land contaminated from a discharge or release of petroleum from an underground storage tank, the imposition of restrictions on the current or future use of real property on sites contaminated by the discharge or release of petroleum from an aboveground storage tank, or another petroleum source, from which contamination has migrated to off-site properties, as that term is defined under G.S. 130A-310.65(3a), shall only be allowed as provided in G.S. 143-215.104AA, or G.S. 130A-310.73A, as applicable."

SECTION 4.(b) G.S. 143B-279.11 reads as rewritten:

"§ 143B-279.11. Recordation of residual petroleum from an underground or aboveground storage tank, tanks or other sources.

(a) The definitions set out in G.S. 143-215.94A and G.S. 143B-279.9 apply to this section. This section applies only to a cleanup pursuant to a remedial action plan that addresses

3

4

5

6 7

8

9

10

11

12

13

14

15

16 17

18

19

20

21

22

23

24

25

26

2728

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

49

50

51

environmental damage resulting from a discharge or release of petroleum from an underground storage tank pursuant to Part 2A of Article 21A of Chapter 143 of the General Statutes. Statutes or from an aboveground storage tank or other petroleum source pursuant to Part 7 of Article 21A of Chapter 143 of the General Statutes.

- The owner, operator, or other person responsible for a discharge or release of petroleum from an underground storage tank, aboveground storage tank, or other petroleum source shall prepare and submit to the Department a proposed Notice that meets the requirements of this section. The proposed Notice shall be submitted to the Department (i) before the property is conveyed, or (ii) when the owner, operator, or other person responsible for the discharge or release requests that the Department issue a determination that no further action is required under the remedial action plan, whichever first occurs. The Notice shall be entitled "NOTICE OF RESIDUAL PETROLEUM". The Notice shall include a description that would be sufficient as a description in an instrument of conveyance of the (i) real property on which the source of contamination is located and (ii) any real property on which contamination is located at the time the remedial action plan is approved and that was owned or controlled by any owner or operator of the underground storage tank, aboveground storage tank, or other petroleum source, or other responsible party at the time the discharge or release of petroleum is discovered or reported or at any time thereafter. The Notice shall identify the location of any residual petroleum known to exist on the real property at the time the Notice is prepared. The Notice shall also identify the location of any residual petroleum known, at the time the Notice is prepared, to exist on other real property that is a result of the discharge or release. The Notice shall set out any restrictions on the current or future use of the real property that are imposed by the Secretary pursuant to G.S. 143B-279.9(b) to protect public health, the environment, or users of the property.
- (c) If the contamination is located on more than one parcel or tract of land, the Department may require that the owner, operator, or other person responsible for the discharge or release prepare a composite map or plat that shows all parcels or tracts. If the contamination is located on one parcel or tract of land, the owner, operator, or other person responsible for the discharge or release may prepare a map or plat that shows the parcel but is not required to do so. A map or plat shall be prepared and certified by a professional land surveyor, shall meet the requirements of G.S. 47-30, and shall be submitted to the Department for approval. When the Department has approved a map or plat, it shall be recorded in the office of the register of deeds and shall be incorporated into the Notice by reference.
- The Department shall review the proposed Notice to determine whether the Notice meets the requirements of this section and rules adopted to implement this section and shall provide the owner, operator, or other person responsible for the discharge or release of petroleum from an underground storage tank, aboveground storage tank, or other petroleum source, with a notarized copy of the approved Notice. After the Department approves the Notice, the owner, operator, or other person responsible for the discharge or release of petroleum from an underground storage tank, aboveground storage tank, or other petroleum source shall file a notarized copy of the approved Notice in the register of deeds office in the county or counties in which the real property is located (i) before the property is conveyed or (ii) within 30 days after the owner, operator, or other person responsible for the discharge or release receives notice from the Department that no further action is required under the remedial action plan, whichever first occurs. If the owner, operator, or other person responsible for the discharge or release fails to file the Notice as required by this section, any determination by the Department that no further action is required is void. The owner, operator, or other person responsible for the discharge or release, may record the Notice required by this section without the agreement of the owner of the real property. The owner, operator, or other person responsible for the discharge or release shall submit a certified copy of the Notice as filed in the register of deeds office to the Department.

- (e) Repealed by Session Laws 2012-18, s. 1.23, effective July 1, 2012.
- (f) In the event that the owner, operator, or other person responsible for the discharge or release fails to submit and file the Notice required by this section within the time specified, the Secretary may prepare and file the Notice. The costs thereof may be recovered by the Secretary from any responsible party. In the event that an owner of the real property who is not a responsible party submits and files the Notice required by this section, the owner may recover the reasonable costs thereof from any responsible party.
- (g) A Notice filed pursuant to this section shall, at the request of the owner of the real property, be cancelled by the Secretary after the residual petroleum has been eliminated or remediated to unrestricted use standards. If requested in writing by the owner of the land, the Secretary shall send to the register of deeds of each county where the Notice is recorded a statement that the residual petroleum has been eliminated, or that the residual petroleum has been remediated to unrestricted use standards, and request that the Notice be cancelled of record. The Secretary's statement shall contain the names of the owners of the land as shown in the Notice and reference the plat book and page where the Notice is recorded.
- (h) Except with respect to land contaminated from a discharge or release of petroleum from an underground storage tank, the provisions of this section shall only apply to sites contaminated by the discharge or release of petroleum from an aboveground storage tank, or another petroleum source, from which contamination has migrated to off-site properties, as that term is defined under G.S. 130A-310.65(3a), in compliance with the requirements of G.S. 143-215.104AA, or G.S. 130A-310.73A, as applicable."

PART V. CLARIFICATION FOR REPORTING OF WASTEWATER DISCHARGES SECTION 5. G.S. 143-215.1C reads as rewritten:

- "§ 143-215.1C. Report to wastewater system customers on system performance; report discharge of untreated wastewater to the Department; publication of notice of discharge of untreated wastewater and waste.
- (a) Report to Wastewater System Customers. The owner or operator of any wastewater collection or treatment works, the operation of which is primarily to collect or treat municipal or domestic wastewater and for which a permit is issued under this Part and having an average annual flow greater than 200,000 gallons per day, shall provide to the users or customers of the collection system or treatment works and to the Department an annual report that summarizes the performance of the collection system or treatment works and the extent to which the collection system or treatment works has violated the permit or federal or State laws, regulations, or rules related to the protection of water quality. The report shall be prepared on either a calendar or fiscal year basis and shall be provided no later than 60 days after the end of the calendar or fiscal year.
- (a1) Report Discharge of Untreated Wastewater to the Department. The owner or operator of any wastewater collection or treatment works for which a permit is issued under this Part—shall report a discharge of 1,000 gallons or more of untreated wastewater to the surface—to land, or a spill of any amount that reaches waters of the State—State, to the Department as soon as practicable, but no later than 24 hours after the owner or operator has determined that the discharge has reached the surface waters of the State. first knowledge of the spill. This reporting requirement shall be in addition to any other reporting requirements applicable to the owner or operator of the wastewater collection or treatment works.
- (b) Publication of Notice of Discharge of Untreated Wastewater. The owner or operator of any wastewater collection or treatment works, the operation of which is primarily to collect or treat municipal or domestic wastewater and for which a permit is issued under this Part shall:

- 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41
- (c) Publication of Notice of Discharge of Untreated Waste. – The owner or operator of any wastewater collection or treatment works, other than a wastewater collection or treatment works the operation of which is primarily to collect or treat municipal or domestic wastewater, for which a permit is issued under this Part wastewater shall:
 - In the event of a discharge of 1,000 gallons or more of untreated waste to the surface to land, or a spill of any amount that reaches waters of the State, issue a press release to all print and electronic news media that provide general coverage in the county where the discharge occurred setting out the details of the discharge. The owner or operator shall issue the press release within 24 hours after the owner or operator has determined that the discharge has reached the surface waters of the State. first knowledge of the spill. The owner or operator shall retain a copy of the press release and a list of the news media to which it was distributed for at least one year after the discharge and shall provide a copy of the press release and the list of the news media to which it was distributed to any person upon request.

PART VI. MISCELLANEOUS CHANGES TO WATER QUALITY PROVISIONS

SECTION 6. G.S. 143-215.1 reads as rewritten:

"§ 143-215.1. Control of sources of water pollution; permits required.

- (a7) For high rate infiltration wastewater disposal systems that utilize non-native soils or materials in a basin sidewall to enhance infiltration, the non-native soils or materials in the sidewall shall not be considered part of the disposal area provided that all of the following standards are met:
 - In addition to the requirements established by the Commission pursuant to (1)subsection (a4) of G.S. 143-215.1, the treatment system shall include a mechanism to provide filtration of effluent to 0.5 microns or less and all essential treatment units shall be provided in duplicate.
 - (2)Particle size analysis in accordance with ASTM guidelines for all native and non-native materials shall be performed. Seventy-five percent (75%) of all non-native soil materials specified shall have a particle size of less than 4.8 millimeters.
 - Non-native materials shall comprise no more than fifty percent (50%) of the (3)basin sidewall area.
 - Systems meeting the standards set out in subdivisions (1), (2), and (3) of this (4) subsection shall be considered nondischarge systems, and the outfall of any associated groundwater lowering device shall be considered groundwater provided the outfall does not violate water quality standards.

(i) Any person subject to the requirements of this section who is required to obtain an individual permit from the Commission for a disposal system under the authority of G.S. 143-215.1 or Chapter 130A of the General Statutes shall have a compliance boundary as may be established by rule or permit for various categories of disposal systems and beyond which groundwater quality standards may not be exceeded. Multiple contiguous properties under common ownership and permitted for use as a disposal system shall be treated as a single property with regard to determination of a compliance boundary boundary and setbacks to property lines.

...." 49

50

42

43

44

45

46

47

48

PART VII. CONSOLIDATE VARIOUS WATER RESOURCES AND WATER QUALITY REPORTS BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY

SECTION 7.(a) G.S. 143-355(m) is repealed.

SECTION 7.(b) If Senate Bill 131, 2017 Regular Session, becomes law, then G.S. 143-355(p), as enacted by Section 4.16(c) of that act, reads as rewritten:

"(p) Report. – The Department of Environmental Quality shall report to the Environmental Review Commission on the implementation of this section, including the development of the State water supply plan and the development of basinwide hydrologic models, no later than November 1 of each year. The Department shall submit the report required by this subsection with the report on basinwide water quality—management plans required by G.S. 143-215.8B(d) as a single report."

PART VIII. COASTAL AREA MANAGEMENT ACT MODIFICATIONS

SECTION 8.(a) G.S. 113A-124(c) is amended by adding a new subdivision to read:

- "(c) The Commission shall have the following additional powers and duties under this Article:
 - (1) To recommend to the Secretary the acceptance of donations, gifts, grants, contributions and appropriations from any public or private source to use in carrying out the provisions of this Article.
 - (2) To recommend to the Secretary of Administration the acquisition by purchase, gift, condemnation, or otherwise, lands or any interest in any lands within the coastal area.
 - (3) To hold such public hearings as the Commission deems appropriate.
 - (4) To delegate the power to conduct a hearing, on behalf of the Commission, to any member of the Commission or to any qualified employee of the Department. Any person to whom a delegation of power is made to conduct a hearing shall report his recommendations with the evidence and the record of the hearing to the Commission for decision or action.
 - (5) Repealed by Session Laws 1987, c. 827, s. 141.
 - (6) To delegate the power to determine whether a contested case hearing is appropriate in accordance with G.S. 113A-121.1(b).
 - (7) To delegate the power to grant or deny requests for declaratory rulings under G.S. 150B-4 in accordance with standards adopted by the Commission.
 - (8) To adopt rules to implement this Article.
 - (9) To delegate the power to approve land-use plan for a county in accordance with G.S. 113A-110(f) to any qualified employee of the Department."

SECTION 8.(b) G.S. 113A-119 reads as rewritten:

"§ 113A-119. Permit applications generally.

- (a) Any person required to obtain a permit under this Part shall file with the Secretary and (in the case of a permit sought from a city or county) with the designated local official an application for a permit in accordance with the form and content designated by the Secretary and approved by the Commission. The applicant must submit with the application a check or money order payable to the Department or the city or county, as the case may be, constituting a fee set by the Commission pursuant to G.S. 113A-119.1.
- (b) Upon receipt of any application, a significant modification to an application for a major permit, or an application to modify substantially a previously issued major permit, the Secretary shall issue public notice of the proposed development (i) by mailing a copy of the application or modification, or a brief description thereof together with a statement indicating where a detailed copy of the proposed development may be inspected, to any citizen or group which has filed a request to be notified of the proposed development, and to any interested

State agency; (ii) with the exception of minor permit applications, by posting or causing to be posted a notice at the location of the proposed development stating that an application, a modification of an application for a major permit, or an application to modify a previously issued major permit for development has been made, where the application or modification may be inspected, and the time period for comments; and (iii) with the exception of minor permit applications, by publishing notice of the application or modification at least once in one newspaper of general circulation in the county or counties wherein the development would be located at least 20 days before final action on a major permit or before the beginning of the hearing on a permit under G.S. 113A-122. The notice shall set out that any comments on the development should be submitted to the Secretary by a specified date, not less than 15 days from the date of the newspaper publication of the notice or 15 days after mailing of the mailed notice, whichever is later.

(c) Within the meaning of this Part, the "designated local official" is the official who has been designated by the local governing body to receive and consider permit applications under this Part."

1 2

PART IX. MISCELLANEOUS CHANGES TO STATUTES GOVERNING THE INTERSTATE WILDLIFE VIOLATOR COMPACT

SECTION 9.(a) G.S. 113-300.6 reads as rewritten:

"§ 113-300.6. Governor to execute compact; form of compact.

The Governor shall execute an Interstate Wildlife Violator Compact on behalf of the State of North Carolina with any state of the United States legally joining therein in the form substantially as follows:

Article II.

Definitions.

Unless the context requires otherwise, the definitions in this Article apply through this compact and are intended only for the implementation of this compact:

(15) "Wildlife" means all species of animals, including but not necessarily limited to mammals, birds, fish, reptiles, amphibians, mollusks, and crustaceans, which are defined as "wildlife" and are protected or otherwise regulated by statute, law, regulation, ordinance, or administrative rule in a party state. "Wildlife" includes all species of animals that are protected or regulated by the Wildlife Resources Commission, the Marine Fisheries Commission, or the Division of Marine Fisheries in the Department of Environmental Quality. "Wildlife" also means food fish and shellfish as defined by statute, law, regulation, ordinance, or administrative rule in a party state. Commission. Species included in the definition of "wildlife" vary from state to state and determination of whether a species is "wildlife" for the purposes of this compact shall be based on local law.

SECTION 9.(b) G.S. 113-300.7 reads as rewritten:

"§ 113-300.7. Appointment of Compact Administrator; implementation; rules; amendments.

- (a) The Chair of the Wildlife Resources Commission, in consultation with the Chair of the Marine Fisheries Commission and the Fisheries Director, Commission shall appoint the Compact Administrator for North Carolina. The Compact Administrator shall serve at the pleasure of the Chair of the Wildlife Resources Commission.
- (b) The Wildlife Resources <u>Commission</u>, <u>Commission and</u> the Secretary of Environmental <u>Quality</u>, and the <u>Division of Marine Fisheries</u> Quality may suspend or revoke

the license, privilege, or right of any person to hunt, fish, trap, possess, or transport wildlife in this State to the extent that the license, privilege, or right has been suspended or revoked by another compact member under the provisions of this Article.

- (c) The Wildlife Resources Commission and the Marine Fisheries Commission shall adopt rules necessary to carry out the purposes of this Article.
- (d) Any proposed amendment to the Compact shall be submitted to the General Assembly as an amendment to G.S. 113-300.6. In order to be endorsed by the State of North Carolina as provided by subsection (b) of Article IX of the Compact, a proposed amendment to the Compact must be enacted into law."

PART X. USE OF FUNDS FROM THE I & M AIR POLLUTION CONTROL ACCOUNT

SECTION 10. G.S. 143-215.3A reads as rewritten:

"§ 143-215.3A. Water and Air Quality Account; use of application and permit fees; Title V Account; I & M Air Pollution Control Account; reports.

. . .

..."

(b1) The I & M Air Pollution Control Account is established as a nonreverting account within the Department. Fees transferred to the Division of Air Quality of the Department pursuant to G.S. 20-183.7(c) shall be credited to the I & M Air Pollution Control Account and shall be applied to the costs of developing and implementing an air pollution control program for mobile sources.program.

24 PART XI. EFFECTIVE DATE

SECTION 11. This act is effective when it becomes law.