A BILL TO BE ENTITLED

AN ACT TO: (I) REQUIRE THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO REPORT QUARTERLY ON APPLICATIONS FOR PERMITS REQUIRED FOR NATURAL GAS PIPELINES AND GAS-FIRED ELECTRIC GENERATION FACILITIES; (II) INCREASE THE PUNISHMENT FOR PROPERTY CRIMES COMMITTED AGAINST CRITICAL INFRASTRUCTURE, INCLUDING PUBLIC WATER SUPPLIES, WASTEWATER TREATMENT FACILITIES, AND MANUFACTURING FACILITIES, AND TO MAKE CONFORMING CHANGES TO UPDATE STATUTES RELATING TO DAMAGE TO UTILITIES; (III) PROHIBIT THE ACQUISITION OF QUARTZ MINING OPERATIONS AND LANDS CONTAINING HIGH PURITY QUARTZ BY FOREIGN GOVERNMENTS DESIGNATED AS ADVERSARIAL BY THE UNITED STATES DEPARTMENT OF COMMERCE; (IV) EXPAND REQUIREMENTS FOR ISSUANCE OF 401 CERTIFICATIONS BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO PROJECTS LOCATED AT AN EXISTING OR FORMER ELECTRIC GENERATING FACILITY; (V) AMEND STATUTES AND RULES APPLICABLE TO DOCK, PIER, AND WALKWAY REPLACEMENT IN THE COASTAL AREA; (VI) MAKE A TECHNICAL CORRECTION TO THE SWINE FARM SITING ACT; (VII) AMEND THE STATUTE GOVERNING CLEANFIELDS RENEWABLE ENERGY DEMONSTRATION PARKS; (VIII) AUTHORIZE RENEWABLE ENERGY CERTIFICATES FOR NATURAL GAS GENERATED FROM RENEWABLE ENERGY RESOURCES; (IX) AMEND THE STATUTES GOVERNING NATURAL GAS LOCAL DISTRIBUTION COMPANIES COST RECOVERY; (X) EXCLUDE AQUACULTURE FROM THE DEFINITION OF "DEVELOPMENT" FOR PURPOSES OF CAMA AND LIMIT THE AUTHORITY OF THE MARINE FISHERIES COMMISSION TO ADOPT RULES REGULATING AQUACULTURE EQUIPMENT; (XI) REQUIRE THE OFFICE OF STATE ARCHAEOLOGY TO PROVIDE INFORMATION TO LANDOWNERS OR PROSPECTIVE PURCHASERS IN AREAS OF ENVIRONMENTAL CONCERN UPON REQUEST, AND ESTABLISH LIMITS ON ASSOCIATED CAMA PERMIT CONDITIONS; (XII) REMOVE TIME LIMITS ON CERTAIN Viable UTILITY RESERVE GRANTS; (XIII) ESTABLISH A TIME LIMIT FOR REVIEW OF APPLICATIONS SUBMITTED TO THE DEPARTMENT OF ENVIRONMENTAL QUALITY FOR APPROVAL OF CONSTRUCTION OR ALTERATION OF A PUBLIC WATER SYSTEM; (XIV) LIMIT THE AUTHORITY OF PUBLIC WATER AND SEWER SYSTEMS TO IMPOSE UNAUTHORIZED CONDITIONS ON RESIDENTIAL
The General Assembly of North Carolina enacts:

PART I. REQUIRE THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO REPORT QUARTERLY ON APPLICATIONS FOR PERMITS REQUIRED FOR NATURAL GAS PIPELINES AND GAS-FIRED ELECTRIC GENERATION FACILITIES

SECTION 1.(a) Part 1 of Article 7 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-279.20. Report on Department activity to process applications for permits required for natural gas pipelines and gas-fired electric generation facilities.

The Department of Environmental Quality shall report on any applications received for permits required for siting or operation of natural gas pipelines and gas-fired electric generation facilities within the State, and activities of the Department to process such applications, including tracking of processing times. The processing time tracked shall include (i) the total processing time from when an initial permit application is received to issuance or denial of the permit and (ii) the processing time from when a complete permit application is received to issuance or denial of the permit. The Department shall report quarterly to the Joint Legislative Commission on Energy Policy pursuant to this section."

SECTION 1.(b) This section is effective when it becomes law and applies to applications for permits for natural gas pipelines and gas-fired electric generation facilities pending on or received on or after that date. The Department shall submit the initial report due pursuant to G.S. 143B-279.20, as enacted by this section, no later than October 1, 2024.

PART II. INCREASE THE PUNISHMENT FOR PROPERTY CRIMES COMMITTED AGAINST CRITICAL INFRASTRUCTURE, INCLUDING PUBLIC WATER SUPPLIES, WASTEWATER TREATMENT FACILITIES, AND MANUFACTURING FACILITIES, AND TO MAKE CONFORMING CHANGES TO UPDATE STATUTES RELATING TO DAMAGE TO UTILITIES

SECTION 2.(a) G.S. 14-159.1 reads as rewritten:

"§ 14-159.1. Contaminating or injuring a public water system; injuring a wastewater treatment facility.

(a) A person commits the offense of contaminating a public water system, as defined in G.S. 130A-313(10), if he willfully or wantonly: Contaminating a Public Water System.

(1) Contaminates, adulterates or otherwise impurifies or attempts to contaminate, adulterate or otherwise impurify the water in a public water system, as defined in G.S. 130A-313(10), including the water source, with any toxic chemical, biological agent or radiological substance that is harmful to human health, except those added in approved concentrations for water treatment operations, or

(2) Damages or tampers with the property or equipment of a public water system with the intent to impair the services of the public water system.

(b) Injuring a Public Water System. – It is unlawful to knowingly and willfully stop, obstruct, impair, weaken, destroy, injure, or otherwise damage, or attempt to stop, obstruct,
imperior, weaken, destroy, injure, or otherwise damage, the property or equipment of a public water system, as defined in G.S. 130A-313(10), with the intent to impair the services of the public water system.

(c) Injuring a Wastewater Treatment System. – It is unlawful to knowingly and willfully stop, obstruct, impair, weaken, destroy, injure, or otherwise damage, or attempt to stop, obstruct, impair, weaken, destroy, injure, or otherwise damage, the property or equipment of a wastewater treatment system that is owned or operated by a (i) public utility, as that term is defined under G.S. 62-3, or (ii) local government unit, as defined in G.S. 159G-20(13). For purposes of this section, the term "wastewater treatment facility" means the various facilities and devices used in the treatment of sewage, industrial waste, or other wastes of a liquid nature, including the necessary interceptor sewers, outfall sewers, nutrient removal equipment, pumping equipment, power and other equipment, and their appurtenances.

(b)(d) Any person who commits the offense defined in Punishment. – A person who violates subsection (a), (b), or (c) of this section is guilty of a Class C felony. Additionally, a person who violates subsection (a), (b), or (c) of this section shall be ordered to pay a fine of two hundred fifty thousand dollars ($250,000).

(e) Merger. – Each violation of this section constitutes a separate offense and shall not merge with any other offense.

(f) Civil Remedies. – Any person whose property or person is injured by reason of a violation of subsection (a), (b), or (c) of this section shall have a right of action on account of such injury done against the person who committed the violation and any person who acts as an accessory before or after the fact, aids or abets, solicits, conspires, or lends material support to the violation of this section. If damages are assessed in such case before or after the fact, aids or abets, solicits, conspires, or lends material support to the violation of subsection (a), (b), or (c) of this section shall constitute willful or wanton conduct within the meaning of G.S. 1D-5(7) in any civil action filed as a result of the violation. The rights and remedies provided by this subsection are in addition to any other rights and remedies provided by law. For purposes of this subsection, the term "damages" includes actual and consequential damages.

(g) The provisions of subsection (f) of this section relating to treble damages shall not be made known to the trier of fact through any means, including voir dire, the introduction into evidence, argument, or instructions to the jury.

(h) Nothing in this section shall apply to work or activity that is performed at or on a wastewater treatment facility by the owner or operator of the facility, or an agent of the owner or operator authorized to perform such work or activity by the owner or operator."

SECTION 2.(b) G.S. 143-152 is repealed.
SECTION 2.(c) G.S. 62-323 reads as rewritten:

"§ 62-323. Willful injury to property of public utility a misdemeanor, felony.

(a) If any person shall willfully do or cause to be done any act or acts whatever whereby any building, construction or work of any public utility, or any engine, machine or structure or any matter or thing appertaining to the same shall be stopped, obstructed, impaired, weakened, injured or destroyed, he shall be guilty of a Class I misdemeanor, Class C felony.

(b) Merger. – Each violation of this section constitutes a separate offense and shall not merge with any other offense.

(c) Civil Remedies. – Any person whose property or person is injured by reason of a violation of subsection (a) of this section shall have a right of action on account of such injury done against the person who committed the violation and any person who acts as an accessory before or after the fact, aids or abets, solicits, conspires, or lends material support to the violation of this section. If damages are assessed in such case, the plaintiff shall be entitled to recover treble the amount of damages fixed by the verdict or punitive damages pursuant to Chapter 1D
of the General Statutes, together with costs, including attorneys' fees. A violation of subsection (a) of this section shall constitute willful or wanton conduct within the meaning of G.S. 1D-5(7) in any civil action filed as a result of the violation. The rights and remedies provided by this subsection are in addition to any other rights and remedies provided by law. For purposes of this subsection, the term "damages" includes actual and consequential damages.

(d) The provisions of subsection (c) of this section relating to treble damages shall not be made known to the trier of fact through any means, including voir dire, the introduction into evidence, argument, or instructions to the jury.

(e) The provisions of this section shall only apply to conduct resulting in injury to a public utility, or property thereof, not otherwise covered by G.S. 14-150.2, 14-154, or 14-159.1.

(f) Nothing in this section shall apply to work or activity that is performed at or on a public utility by the owner or operator of the utility, or an agent of the owner or operator authorized to perform such work or activity by the owner or operator."

SECTION 2.(d) Article 22 of Chapter 14 of the General Statutes is amended by adding a new section to read:

"§ 14-150.3. Injuring manufacturing facility.

(a) Injuring a Manufacturing Facility. – It is unlawful to knowingly and willfully stop, obstruct, impair, weaken, destroy, injure, or otherwise damage, or attempt to stop, obstruct, impair, weaken, destroy, injure, or otherwise damage, the property or equipment of a manufacturing facility. For purposes of this section, the term "manufacturing facility" means a facility used for the lawful production or manufacturing of goods.

(b) Punishment. – A person who violates subsection (a) of this section is guilty of a Class C felony. Additionally, a person who violates subsection (a) of this section shall be ordered to pay a fine of two hundred fifty thousand dollars ($250,000).

(c) Merger. – Each violation of this section constitutes a separate offense and shall not merge with any other offense.

(d) Civil Remedies. – Any person whose property or person is injured by reason of a violation of subsection (a) of this section shall have a right of action on account of such injury done against the person who committed the violation and any person who acts as an accessory before or after the fact, aids or abets, solicits, conspires, or lends material support to the violation of this section. If damages are assessed in such case, the plaintiff shall be entitled to recover treble the amount of damages fixed by the verdict or punitive damages pursuant to Chapter 1D of the General Statutes, together with costs, including attorneys' fees. A violation of subsection (a) of this section shall constitute willful or wanton conduct within the meaning of G.S. 1D-5(7) in any civil action filed as a result of the violation. The rights and remedies provided by this subsection are in addition to any other rights and remedies provided by law. For purposes of this subsection, the term "damages" includes actual and consequential damages.

(e) The provisions of subsection (d) of this section relating to treble damages shall not be made known to the trier of fact through any means, including voir dire, the introduction into evidence, argument, or instructions to the jury.

(f) Nothing in this section shall apply to (i) work or activity that is performed at or on a public utility by the owner or operator of the utility, or an agent of the owner or operator authorized to perform such work or activity by the owner or operator, and (ii) lawful activity authorized or required pursuant to State or federal law."

SECTION 2.(e) G.S. 1D-27 reads as rewritten:

"§ 1D-27. Injuring energy, water, or manufacturing facility; exemption from cap.

G.S. 1D-25(b) shall not apply to a claim for punitive damages for injury or harm arising from actions of the defendant that constitute a violation of G.S. 14-150.2(b)-G.S. 14-150.2(b), 14-159.1(a), (b), or (c), 62-323(a), or 14-150.3(a)."
SECTION 2.(f) Prosecutions for offenses committed before the effective date of this act are not abated or affected by this act, and the statutes that would be applicable but for this act remain applicable to those prosecutions.

SECTION 2.(g) This section becomes effective December 1, 2024, and applies to offenses committed on or after that date.

PART III. PROHIBIT THE ACQUISITION OF QUARTZ MINING OPERATIONS AND LANDS CONTAINING HIGH PURITY QUARTZ BY FOREIGN GOVERNMENTS DESIGNATED AS ADVERSARIAL BY THE UNITED STATES DEPARTMENT OF COMMERCE

SECTION 3.(a) Chapter 64 of the General Statutes is amended by adding a new Article to read:

"Article 3.

Prohibit Adversarial Foreign Government Acquisition of High Purity Quartz.

§ 64-50. Title.
This act shall be known and be cited as the North Carolina High Purity Quartz Protection Act.

§ 64-51. Purpose.
The General Assembly finds that high purity quartz is a highly valuable resource used in the manufacture of semiconductors, optical fibers, circuit boards, and other technologically advanced components and it is therefore in the public interest for the State to guard its deposits of high purity quartz from the potential of adversarial foreign government control in order to protect our vital mineral and economic resources.

§ 64-52. Definitions.
As used in this Article, the following definitions apply:

(1) Adversarial foreign government. — A state-controlled enterprise or the government of a foreign nation that has received a designation under 15 C.F.R. § 7.4 from a determination by the United States Secretary of Commerce that the entity has engaged in a long-term pattern or serious instances of conduct significantly adverse to the national security of the United States or security and safety of United States persons.

(2) Controlling interest. — Possession of more than fifty percent (50%) of the ownership interest in an entity. The term also includes possession of fifty percent (50%) or less of the ownership interest in an entity if an owner directs the business and affairs of the entity without the requirement or consent of any other party.

(3) High purity quartz. — A mineral made of silicon dioxide and containing fewer than 50 parts per million of impurity elements.

(4) Interest. — Any estate, remainder, or reversion, or any portion of the estate, remainder, or reversion, or an option pursuant to which one party has a right to cause the transfer of legal or equitable title to land covered by G.S. 64-53(a); or ownership or partial ownership of a mining operation covered under G.S. 64-53(a).

(5) State-controlled enterprise. — A business enterprise, however denominated, in which a foreign government has a controlling interest.

§ 64-53. Adversarial foreign government acquisition of high purity quartz resources prohibited.
(a) Notwithstanding any provision of law to the contrary, no adversarial foreign government shall purchase, acquire, lease, or hold any interest in the following:

(1) A quartz mining operation.

(2) Land containing commercially valuable amounts of high purity quartz.
(b) Any transfer of an interest in land or a mining operation in violation of this section shall be void.

(c) The responsibility for determining whether an individual or other entity is subject to this Article rests solely with the United States Secretary of Commerce and the State of North Carolina and no other individual or entity. An individual or other entity who is not an adversarial foreign government shall bear no civil or criminal liability for failing to determine or make inquiry of whether an individual or other entity is an adversarial foreign government."

SECTION 3. (b) This section is effective when it becomes law and applies only to ownership interests acquired on and after that date.

PART IV. EXPAND REQUIREMENTS FOR ISSUANCE OF 401 CERTIFICATIONS BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO PROJECTS LOCATED AT AN EXISTING OR FORMER ELECTRIC GENERATING FACILITY

SECTION 4.(a) G.S. 143-214.1A reads as rewritten:

"§ 143-214.1A. Water quality certification requirements for certain projects.

(a) The following requirements shall govern applications for certification filed with the Department pursuant to section 401 of the Clean Water Act, 33 U.S.C. § 1341(a)(1), for maintenance dredging projects partially funded by the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund, electric generation projects located at an existing or former electric generating facility, and projects involving the distribution or transmission of energy or fuel, including natural gas, diesel, petroleum, or electricity:

...."

SECTION 4.(b) This section is effective when it becomes law and applies to applications for 401 Certification pending or submitted on or after that date.

PART V. PROHIBIT PUBLIC WATER AND SEWER SYSTEMS FROM IMPOSING UNAUTHORIZED CONDITIONS AND IMPLEMENTING PREFERENCE SYSTEMS FOR ALLOCATING SERVICE TO RESIDENTIAL DEVELOPMENT

SECTION 5.(a) Chapter 162A of the General Statutes is amended by adding a new Article to read:


§ 162A-900. Limitations on allocating service for residential development.

(a) For purposes of this section, "residential development" means new development of single-family or multi-family housing.

(b) A local government unit, as defined in G.S. 162A-201, shall not require an applicant for water or sewer service for residential development to agree to any condition, or accept any offer by the applicant to consent to any condition, not otherwise authorized by law, including, without limitation, any of the following:

(1) Payment of taxes, impact fees or other fees, or contributions to any fund.
(2) Adherence to any restrictions related to land development or land use, including those within the scope of G.S. 160D-702(c).
(3) Adherence to any restrictions related to building design elements within the scope of G.S. 160D-702(b).

(c) A local government unit, as defined in G.S. 162A-201, shall not implement a scoring or preference system to allocate water or sewer service among applicants for water or sewer service for residential development that does any of the following:

(1) Includes consideration of building design elements, as defined in G.S. 160D-702(b).
(2) Sets a minimum square footage of any structures subject to regulation under the North Carolina Residential Code.
Requires a parking space to be larger than 9 feet wide by 20 feet long unless the parking space is designated for handicap, parallel, or diagonal parking.

Requires additional fire apparatus access roads into developments of one- or two-family dwellings that are not in compliance with the required number of fire apparatus access roads into developments of one- or two-family dwellings set forth in the Fire Code of the North Carolina Residential Code."

SECTION 5.(b) This section is effective when it becomes law.

PART VI. SWINE FARM SITING ACT TECHNICAL CORRECTION

SECTION 6.(a) G.S. 106-803(a2) reads as rewritten:

"(a2) No component of a liquid animal waste management system for which a permit is required under Part I or 1A of Article 21 of Chapter 143 of the General Statutes, other than a land application site, shall be constructed on land that is located within the 100-year floodplain."

SECTION 6.(b) G.S. 106-805 reads as rewritten:

"§ 106-805. Written notice of swine farms.

Any person who intends to construct a swine farm whose animal waste management system is subject to a permit under Part I or 1A of Article 21 of Chapter 143 of the General Statutes shall, after completing a site evaluation and before the farm site is modified, notify all adjoining property owners; all property owners who own property located across a public road, street, or highway from the swine farm; the county or counties in which the farm site is located; and the local health department or departments having jurisdiction over the farm site of that person's intent to construct the swine farm. This notice shall be by certified mail sent to the address on record at the property tax office in the county in which the land is located. Notice to a county shall be sent to the county manager or, if there is no county manager, to the chair of the board of county commissioners. Notice to a local health department shall be sent to the local health director. The written notice shall include all of the following:

(1) The name and address of the person intending to construct a swine farm.
(2) The type of swine farm and the design capacity of the animal waste management system.
(3) The name and address of the technical specialist preparing the waste management plan.
(4) The address of the local Soil and Water Conservation District office.
(5) Information informing the adjoining property owners and the property owners who own property located across a public road, street, or highway from the swine farm that they may submit written comments to the Division of Water Resources, Department of Environmental Quality."

PART VII. AMEND THE STATUTE GOVERNING CLEANFIELDS RENEWABLE ENERGY DEMONSTRATION PARKS

SECTION 7. G.S. 62-133.20 reads as rewritten:

"§ 62-133.20. Cleanfields renewable energy demonstration parks.
(a) Criteria for Designation. – A parcel or tract of land, or any combination of contiguous parcels or tracts of land, that meet all of the following criteria may be designated as a cleanfields renewable energy demonstration park:

... All of the real property comprising the park is contiguous to a body of water, including estuaries, rivers, streams, wetlands, and swamps.
(3) The property within the park is or may be subject to remediation under the Comprehensive Environmental Response, Compensation, and Liability Act of..."
The park contains a manufacturing facility that is idle, underutilized, or curtailed and that at one time employed at least 250 people, or currently includes more than 400,000 square feet of building enclosures.

The owners of the park have applied for or entered into a brownfields agreement with the Department of Environmental Quality pursuant to G.S. 130A-310.32 and have provided satisfactory financial assurance for the brownfields agreement.

The development plan for the park must include a biomass renewable energy facility that utilizes refuse derived fuel, including animal waste, yard waste, wood waste, and waste generated from construction and demolition, but not including wood directly derived from whole trees, as the primary source for generating energy. The refuse derived fuel shall undergo an enhanced recycling process before being utilized by the biomass renewable energy facility.

(c) Renewable Energy Generation. – The definitions in G.S. 62-133.8 apply to this section. If the Utilities Commission determines that a biomass renewable energy facility located in the cleanfields renewable energy demonstration park is a new renewable energy facility, the Commission shall assign triple credit to any electric power, natural gas, or renewable energy certificates generated from renewable energy resources at the biomass renewable energy facility that are purchased by an electric power supplier for the purposes of compliance with G.S. 62-133.8. G.S. 62-133.8, including G.S. 62-133.8 (e) and (f). The additional credits assigned to the first 10 megawatts of biomass renewable energy facility generation capacity shall be eligible for use to meet the requirements of G.S. 62-133.8(f), either G.S. 62-133.8(f), if the underlying electric power, natural gas, or renewable energy certificates were produced from any form of biomass other than swine waste resources, or G.S. 62-133.8(e) if produced from swine waste resources. The additional credits assigned to the first 10 megawatts of biomass renewable energy facility generation capacity shall first be used to satisfy the requirements of G.S. 62-133.8(f), G.S. 62-133.8 (e) or (f), whichever is applicable. Only when the requirements of G.S. 62-133.8(f), G.S. 62-133.8 (e) or (f), whichever is applicable, are met, shall the additional credits assigned to the first 10 megawatts of biomass renewable energy facility generation capacity be utilized to comply with G.S. 62-133.8(b) and (c). The triple credit shall apply only to the first 20 megawatts of biomass renewable energy facility generation capacity located in all cleanfields renewable energy demonstration parks in the State."

PART VIII. AUTHORIZE RENEWABLE ENERGY CERTIFICATES FOR NATURAL GAS GENERATED FROM RENEWABLE ENERGY RESOURCES

SECTION 8. Article 7 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"§ 62-133.8A. Renewable energy certificates for natural gas generated from renewable energy resources.

(a) Natural gas generated from renewable energy resources may earn renewable energy certificates.

(b) The Commission shall consider each 5,500 cubic feet of natural gas generated from renewable energy resources when injected into a natural gas pipeline to be equivalent to 1 megawatt hour of electric generation when assigning renewable energy certificates."
PART IX. NATURAL GAS LOCAL DISTRIBUTION COMPANIES COST RECOVERY MODIFICATIONS

SECTION 9.(a) G.S. 62-133.4 reads as rewritten:

§ 62-133.4. Gas cost adjustment for natural gas local distribution companies.

... (c) Each natural gas local distribution company shall submit to the Commission information and data for an historical 12-month test period concerning the utility’s actual cost of gas, volumes of purchased gas, sales volumes, negotiated sales volumes, and transportation volumes. This information and data shall be filed on an annual basis in the form and detail and at the time required by the Commission. The Commission, upon notice and hearing, shall compare the utility’s prudently incurred costs with costs recovered from all the utility’s customers that it served during the test period. If those prudently incurred costs are greater or less than the recovered costs, the Commission shall, subject to G.S. 62-158, require the utility to refund any overrecovery by credit to bill or through a decrement in its rates and shall permit the utility to recover any deficiency through an increment in its rates. If the Commission finds the overrecovery or deficiency has been or is likely to be substantially reduced, negated, or reversed before or during the period in which it would be credited or recovered, the Commission, in its discretion, may order the utility to make an appropriate adjustment or no adjustment to its rates, consistent with the public interest.

... (d1) The utility shall not recover from ratepayers, in any rate recovery proceeding or rider, the incremental cost of natural gas attributable to renewable energy biomass resources that exceeds the average system cost of gas unattributable to renewable energy biomass resources calculated and filed with the Commission pursuant to subsection (c) of this section. Each natural gas local distribution company that incurs costs attributable to renewable energy biomass resources shall submit the utility’s actual cost thereof to the Commission monthly for purposes of determining the total amount of natural gas costs recoverable under this section.

(e) As used in this section, the word "cost" or "costs" shall be defined by Commission rule or order and may include all costs related to the production, purchase, and transportation of natural gas to the natural gas local distribution company’s system. The following definitions apply in this section:

(1) “Cost” or “costs” shall be defined by Commission rule or order and may include all costs related to the production, purchase, and transportation of natural gas to the natural gas local distribution company’s system.

(2) “Domestic wastewater” means water-carried human wastes together with all other water-carried wastes normally present in wastewater from non-industrial processes.

(3) “Natural gas” or “gas” includes gas derived from renewable energy biomass resources.

(4) “Renewable energy biomass resources” includes agricultural waste, animal waste, wood waste, spent pulping liquors, organic waste, combustible residues, combustible gases, energy crops, landfill methane, or domestic wastewater.”

SECTION 9.(b) G.S. 62-133.7A reads as rewritten:

§ 62-133.7A. Rate adjustment mechanism mechanisms for natural gas local distribution company rates.

(a) In setting rates for a natural gas local distribution company in a general rate case proceeding under G.S. 62-133, the Commission may adopt, implement, modify, or eliminate a rate adjustment mechanism mechanisms to enable the company to recover the prudently incurred capital investment and associated costs of complying any of the following, including a return based on the company’s then authorized return:
Complying with federal gas pipeline safety requirements, including a return based on the company's then authorized return requirements.

(2) Producing and transporting natural gas, as defined in G.S. 62-133.4(e)(3), or consistent with the intent and purpose of G.S. 62-133.4.

(b) The Commission shall adopt, implement, modify, or eliminate any of the rate adjustment mechanisms authorized under this section only upon a finding by the Commission that the mechanism is in the public interest."

SECTION 9.(c) This section is effective when it becomes law and applies to rate case proceedings filed on or after that date.

PART X. EXCLUDE AQUACULTURE FROM THE DEFINITION OF "DEVELOPMENT" FOR PURPOSES OF CAMA AND LIMIT THE AUTHORITY OF THE MARINE FISHERIES COMMISSION TO ADOPT RULES REGULATING AQUACULTURE EQUIPMENT

SECTION 10.(a) G.S. 113A-103 reads as rewritten:

"§ 113A-103. Definitions.

…

(5) a. "Development" means any activity in a duly designated area of environmental concern (except as provided in paragraph b of this subdivision) involving, requiring, or consisting of the construction or enlargement of a structure; excavation; dredging; filling; dumping; removal of clay, silt, sand, gravel or minerals; bulkheading, driving of pilings; clearing or alteration of land as an adjunct of construction; alteration or removal of sand dunes; alteration of the shore, bank, or bottom of the Atlantic Ocean or any sound, bay, river, creek, stream, lake, or canal; or placement of a floating structure except a floating structure used for primarily for aquaculture as defined in G.S. 106-758 and associated with an active shellfish cultivation lease area or franchise, in an area of environmental concern identified in G.S. 113A-113(b)(2) or (b)(5).

b. The following activities including the normal and incidental operations associated therewith shall not be deemed to be development under this section:

…

4. The use of any land for the purposes of planting, growing, or harvesting plants, crops, trees, or other agricultural or forestry products, including normal private road construction, raising livestock or poultry, uses related to aquaculture and aquaculture facilities as defined in G.S. 106-758 and associated with an active shellfish cultivation lease area or franchise, or for other agricultural purposes except where excavation or filling affecting estuarine waters (as defined in G.S. 113-229) or navigable waters is involved;

…

(5a) "Floating structure" means any structure, not a boat, supported by a means of floatation, designed to be used without a permanent foundation, which is used or intended for human habitation or commerce. A structure shall be considered a floating structure when it is inhabited or used for commercial purposes for more than thirty days in any one location. A boat may be considered a floating structure when its means of propulsion has been removed or rendered inoperative.
….

SECTION 10.(b) G.S. 143B-289.52 is amended by adding a new subsection to read:

"(j) The Commission may not adopt rules regulating cages, poles, anchoring systems, or any above-water frames or structural supports used to suspend or hold in place equipment or floating structures used for aquaculture as defined in G.S. 106-758."

SECTION 10.(c) No later than July 1, 2024, the Department of Environmental Quality shall prepare and submit to the United States National Oceanic and Atmospheric Administration for approval by that agency the proposed changes made to Article 7 of Chapter 113A of the General Statutes, as enacted by subsection (a) of this section. The Department of Environmental Quality shall report to the Environmental Review Commission on the status of their activities pursuant to this section quarterly, beginning September 1, 2024, until such time as the General Assembly repeals this reporting requirement.

SECTION 10.(d) Subsection (a) of this section becomes effective on the later of the following dates and applies to applications for permits pending or filed on or after that date:

(1) October 1, 2024.
(2) The first day of a month that is 60 days after the Secretary of the Department of Environmental Quality certifies to the Revisor of Statutes that the National Oceanic and Atmospheric Administration has approved the changes made to Article 7 of Chapter 113A of the General Statutes, as enacted by subsection (a) of this section. The Secretary shall provide this notice along with the effective date of subsection (a) of this section on its website. The remainder of this section is effective when it becomes law.

PART XI. REQUIRE THE OFFICE OF STATE ARCHAEOLOGY TO PROVIDE INFORMATION TO LANDOWNERS OR PROSPECTIVE PURCHASERS IN AREAS OF ENVIRONMENTAL CONCERN UPON REQUEST; ASSOCIATED LIMITATION ON CAMA PERMIT CONDITIONS.

SECTION 11.(a) Part 3 Article 7 of Chapter 113A of the General Statutes is amended by adding a new section to read:

"§ 113A-113.1. Office of State Archaeology to provide information to owners and prospective purchasers in areas of environmental concern; permit conditions.

(a) The Office of State Archaeology section of the Office of Archives and History of the Department of Natural and Cultural Resources, shall, upon the request of an owner or prospective purchaser of land located in an area of environmental concern, provide the owner or prospective purchaser with information as to any known or suspected archaeological or historical significance of the property.
(b) If the Office of State Archaeology has informed an owner or prospective purchaser of land that there is no known or suspected archaeological or historical significance associated with the property pursuant to subsection (a) of this section, the Office of State Archaeology shall, for a period of three years thereafter, be prohibited from adding a condition to a permit issued under this Article that requires or restricts a permittee’s activity with respect to the property based on any archaeological or historical significance of the property."

SECTION 11.(b) The Office of State Archaeology section of the Office of Archives and History of the Department of Natural and Cultural Resources, shall apply for any State, federal, or private grant funding that may be available to purchase properties within areas of environmental concern of great archaeological or historical significance to the State.

SECTION 11.(c) No later than August 1, 2024, the Department of Environmental Quality shall prepare and submit to the United States National Oceanic and Atmospheric Administration for approval by that agency the proposed changes made to G.S. 113A-113.1(b),
as enacted by subsection (a) of this section. The Department of Environmental Quality shall report to the Environmental Review Commission on the status of their activities pursuant to this section quarterly, beginning September 1, 2024, until such time as the General Assembly repeals this reporting requirement.

SECTION 11.(d) G.S. 113A-113.1(b), as enacted by subsection (a) of this section, becomes effective on the later of the following dates and apply to applications for permits pending or filed on or after that date:

1. October 1, 2024.
2. The first day of a month that is 60 days after the Secretary of Environmental Quality certifies to the Revisor of Statutes that the National Oceanic and Atmospheric Administration has approved the changes made to G.S. 113A-113.1(b), as enacted by subsection (a) of this section, as required by subsection (c) of this section. The Secretary shall provide this notice along with the effective date of this Section on its website.

SECTION 11.(e) Except as otherwise provided in subsection (d) of this section, this section becomes effective August 1, 2024.

PART XII. REMOVE TIME LIMITS ON CERTAIN VUR GRANTS

SECTION 12. G.S. 159G-36(d)(2) reads as rewritten:

"(2) Grants for the purpose set forth in G.S. 159-32(d)(6) to any single local government unit shall not (i) exceed seven hundred fifty thousand dollars ($750,000) in any fiscal year and (ii) be awarded for more than three consecutive fiscal years."

PART XIII. ESTABLISH A TIME LIMIT FOR REVIEW OF APPLICATIONS SUBMITTED TO THE DEPARTMENT OF ENVIRONMENTAL QUALITY FOR WATER DISTRIBUTION SYSTEMS TO CONSTRUCT OR ALTER A PUBLIC WATER SYSTEM.

SECTION 13.(a) G.S. 130A-328 is amended by adding a new subsection to read:

"(c1) The Department shall perform a review of an application for a water distribution system authorization subject to the following requirements:

(1) The Department shall review the application within 45 days of receipt of a complete application when a professional engineer provides certification that the design meets or exceeds the Minimum Design Criteria developed by the Department applicable to the project. For purposes of this section, a complete application is defined as an application that includes all the required components described in the application form.

(2) The Department shall perform an administrative review of a new application within ten days of receipt to determine if all required information is included in the application. If the application is complete, the Department shall issue a receipt letter or electronic response stating that the application is complete and that a 45-calendar-day technical review period has started as of the date on which the Department received the complete application. If required items or information are not included in the application, the application is incomplete, and the Department shall issue an application receipt letter or electronic response identifying the information required to complete the application before the technical review begins. When the Department receives the required information, the Department shall issue a receipt letter or electronic response specifying that the application is complete and that the 45-calendar-day review period has started as of the date on which the Department received the remaining required information."
(3) If additional information is required to complete the technical review, the Department shall issue a request for additional information required to complete the review, and the 45-calendar-day technical review period shall pause until the additional information is received. If the Department does not receive the requested additional information from the applicant within 30 calendar days, the Department shall return the application to the applicant.

(4) If the Department receives the additional information from the applicant within 30 days, the technical review period review time shall restart, and the Department shall complete its review within the number of days that remained in the technical review period on the date the technical review period was paused by the request for additional information.

(5) Should the Department not complete its review of the application within the 45-day technical review period, the authorization to construct shall be considered deemed approved."

SECTION 13.(b) This section becomes effective December 1, 2024, and applies to applications submitted on or after that date.

PART XIV. AMEND STATUTES AND RULES APPLICABLE TO DOCK, PIER, AND WALKWAY REPLACEMENT IN THE COASTAL AREA

SECTION 14.(a) Definitions. – For purposes of this section:

(1) "Replacement of Existing Structures Rule" means 15A NCAC 07J .0210 (Replacement of Existing Structures).

(2) "CAMA Rules" means 15A NCAC Subchapter 07J (Procedures for Processing and Enforcement of Major and Minor Development Permits, Variance Requests, Appeals from Permit Decisions, Declaratory Rulings, and Static Line Exceptions).

SECTION 14.(b) Replacement of Existing Structure. – Until the effective date of the revised permanent rules that the Coastal Resources Commission is required to adopt pursuant to subsection (d) of this section, the Commission shall implement the Replacement of Existing Structures Rule and the CAMA Rules as provided in subsection (c) of this section.

SECTION 14.(c) Implementation. – For fixed docks, floating docks, fixed piers, floating piers, or walkways damaged or destroyed by natural elements, fire, or normal deterioration, activity to rebuild the dock, pier, or walkway to its pre-damage condition shall be considered repair of the structure, and shall not require CAMA permits, without regard to the percentage of framing and structural components required to be rebuilt. At the time a dock, pier, or walkway damaged or destroyed by natural elements, fire, or normal deterioration is repaired, the width and length of the dock, pier, or walkway structure may be enlarged by not more than five feet or five percent (5%), whichever is less, and the structure may be heightened, without need for a CAMA permit. The owner shall, however, be required to comply with all other applicable State and federal laws. The provisions of this subsection shall not apply to docks and piers: (i) greater than six feet in width; (ii) greater than 800 square feet of platform area; or (iii) that are adjacent to a federal navigation channel.

SECTION 14.(d) Additional Rulemaking Authority. – The Commission shall adopt rules to amend the Replacement of Existing Structures Rule and any other pertinent CAMA Rules consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rules adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).
SECTION 14.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

SECTION 14.(f) No later than July 1, 2024, the Department of Environmental Quality shall prepare and submit to the United States National Oceanic and Atmospheric Administration for approval by that agency the proposed changes made to the CAMA Rules, as enacted by this section. The Department of Environmental Quality shall report to the Environmental Review Commission on the status of their activities pursuant to this section quarterly, beginning September 1, 2024, until such time as the General Assembly repeals this reporting requirement.

SECTION 14.(g) Subsections (a) through (e) of this section become effective on the later of the following dates and apply to applications for permits pending or filed on or after that date:

(1) October 1, 2024.

(2) The first day of a month that is 60 days after the Secretary of the Department of Environmental Quality certifies to the Revisor of Statutes that the National Oceanic and Atmospheric Administration has approved the changes made to the CAMA Rules, as enacted by subsections (a) through (e) of this section, as required by subsection (f) of this section. The Secretary shall provide this notice along with the effective date of this act on its website.

SECTION 14.1.(a) G.S. 160D-1104 is amended by adding a new subsection to read:

"§ 160D-1104. Duties and responsibilities.

... (g) No later than 60 days after an inspection of a dock, pier, or catwalk or walkway that has been replaced in the coastal area, as that term is defined under G.S. 113A-103(2), an inspection department shall notify the Division of Coastal Management of the replacement."

SECTION 14.1.(b) Notwithstanding Section 35 of S.L. 2023-137, the North Carolina Residential Building Code shall not require a professional engineer or architect to design or otherwise certify the construction of residential docks, piers, or catwalks or walkways.

PART XV. PROHIBIT CERTAIN BACKFLOW PREVENTER REQUIREMENTS BY PUBLIC WATER SYSTEMS

SECTION 15.(a) Article 10 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"§ 130A-330. Local authority to require backflow preventers: testing.

(a) No public water system owned or operated by a local government unit, as that term is defined in G.S. 159G-20(13), shall require a customer to install a backflow preventer on an existing nonresidential or residential connection, including multifamily dwellings, not otherwise required by State or federal law except where the degree of hazard from the customer's connection is determined to be high by the Department.

(b) The limitation established in subsection (a) of this section shall not be construed to prohibit requirements for installation of backflow preventers pursuant to the North Carolina Plumbing Code or the North Carolina Fire Code due to retrofit or upfit/fit-up to the customer's plumbing, facility addition on the customer's property, or change in use of the property served by the connection. The single act of a retrofit or upfit/fit-up to the customer's plumbing limited to the service line between the home or building and the meter, and without a change in use or facility addition, does not necessitate a backflow preventer. An increase in the flow of water to the home or building, without a change in use or facility addition, does not necessitate a backflow preventer.

(c) A public water system owned or operated by a local government unit, and its employees, including the Cross Connection Control Operator in Responsible Charge, is immune
from civil liability in tort from any loss, damage, or injury arising out of or relating to the backflow of water into potable water supply systems where a backflow preventer is not required by State or federal law, or where the degree of hazard from the customer's connection is not determined to be high by the Department.

(d) The Department shall determine whether the degree of hazard for a service connection is high when the installation of a backflow preventer is not otherwise required by State or federal law. The Department shall provide notice of such determinations on its website.

(e) Nothing in this section shall prohibit a public water system owned or operated by a local government unit from requiring the installation of a backflow preventer if the system pays all costs associated with the backflow preventer, including the device, installation, and appropriate landscaping.

(f) No public water system owned or operated by a local government unit shall require periodic testing more frequently than once every three years for backflow preventers installed or replaced within the last ten years on residential irrigation systems that do not apply or dispose chemical feeds.

(g) A public water system owned or operated by a local government, and its employees, including the Cross Connection Control Operator in Responsible Charge, is immune from civil liability in tort from any loss, damage, or injury resulting from compliance with the limitations on periodic testing provided in subsection (f) of this section.

(h) A public water system owned or operated by a local government unit may accept the results of backflow preventer testing conducted by a plumbing contractor licensed under Article 2 of Chapter 87 of the General Statutes or a certified backflow prevention assembly tester approved by the public water system.

(i) For purposes of this section, the following definitions apply:

(1) "Backflow preventer" means an assembly, device, or method that prohibits the backflow of water into potable water supply systems.

(2) "Certified backflow prevention assembly tester" means an individual who holds a certificate of completion from a training program in the testing of backflow preventers.

(3) "High hazard" means a cross-connection or potential cross-connection involving any substance that could, if introduced into the potable water supply, cause illness or death, spread disease, or have a high probability of causing such effects.

(4) "Qualified instructor" means an individual who holds an active and current Cross-Connection Control Operator certification issued by the Water Treatment Facility Operators Board of Certification.

(5) "Training program" means a program of classroom training, education, and instruction and a written practical examination provided by a qualified instructor offered by any of the following:

a. A public water system owned and operated by a local government unit.

b. A North Carolina community college.

c. A North Carolina nonprofit corporation that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, whose membership primarily consists of public water systems owned or operated by a local government units, that offers other certification programs and provides on-site technical assistance and training for public water systems across the State."

SECTION 15.(b) G.S. 150B-2 reads as rewritten:

"§ 150B-2. Definitions.

As used in this Chapter, the following definitions apply:

..."
(8a) Rule. – Any agency regulation, standard, or statement of general applicability that implements or interprets an enactment of the General Assembly or Congress or a regulation adopted by a federal agency or that describes the procedure or practice requirements of an agency. The term includes the establishment of a fee and the amendment or repeal of a prior rule. The term does not include the following:


m. Determinations by the Department of Environmental Quality of high hazards pursuant to G.S. 130A-330.

SECTION 15.(c) This section is effective when it becomes law and applies to requirements for installation or testing of backflow preventers made by a public water supply on or after that date.

PART XVI. EXEMPT CERTAIN FOOD SERVICE ESTABLISHMENTS FROM SEPTAGE MANAGEMENT FIRM PERMITTING REQUIREMENTS

SECTION 16.(a) G.S. 130A-291.1 is amended by adding a new subsection to read:

"(k) A food service establishment not involved in pumping or vacuuming a grease appurtenance does not need a permit under this section."

SECTION 16.(b) This section is effective when it becomes law.

PART XVII. AUTHORIZE REPLACEMENT OF CERTAIN EROSION CONTROL STRUCTURES

SECTION 17.(a) G.S. 113A-115.1 reads as rewritten:

"§ 113A-115.1. Limitations on erosion control structures.

(a) As used in this section:

(1) "Erosion control structure" means a breakwater, bulkhead, groin, jetty, revetment, seawall, or any similar structure.

(1a) "Estuarine shoreline" means all shorelines that are not ocean shorelines that border estuarine waters as defined in G.S. 113A-113(b)(2).

(2) "Ocean shoreline" means the Atlantic Ocean, the oceanfront beaches, and frontal dunes. The term "ocean shoreline" includes an ocean inlet and lands adjacent to an ocean inlet but does not include that portion of any inlet and lands adjacent to the inlet that exhibits characteristics of estuarine shorelines.

(3) "Terminal groin" means one or more structures constructed at the terminus of an island or on the side of an inlet, or where the ocean shoreline converges with Frying Pan Shoals, with a main stem generally perpendicular to the beach shoreline, that is primarily intended to protect the terminus of the island from shoreline erosion and/or inlet migration. A "terminal groin" shall be pre-filled with beach quality sand and allow sand moving in the littoral zone to flow past around, over, or through the structure. A "terminal groin" may include other design features, such as a number of smaller supporting structures, that are consistent with sound engineering practices and as recommended by a professional engineer licensed to practice pursuant to Chapter 89C of the General Statutes. A "terminal groin" is not a jetty.

(b) No person shall construct a permanent erosion control structure in an ocean shoreline. The Commission shall not permit the construction of a temporary erosion control structure that consists of anything other than sandbags in an ocean shoreline. This subsection shall not apply to any of the following:

(1) Any permanent erosion control structure that is approved pursuant to an exception set out in a rule adopted by the Commission prior to July 1, 2003.
(2) Any permanent erosion control structure that was originally constructed prior
to July 1, 1974, and that has since been in continuous use to protect an inlet
that is maintained for navigation.

(3) Any terminal groin permitted pursuant to this section.

(b1) This section shall not be construed to limit the authority of the Commission to adopt
rules to designate or protect areas of environmental concern, to govern the use of sandbags, or to
govern the use of erosion control structures in estuarine shorelines.

(c) The Commission may renew a permit for a permanent erosion control structure
originally permitted pursuant to a variance granted by the Commission prior to July 1, 1995, if
the Commission finds that: (i) the structure will not be enlarged beyond the dimensions set out
in the original permit; (ii) there is no practical alternative to replacing the structure that will
provide the same or similar benefits; and (iii) the replacement structure will comply with all
applicable laws and with all rules, other than the rule or rules with respect to which the
Commission granted the variance, that are in effect at the time the structure is replaced.

(b) This section shall not be construed to limit the authority of the Commission to adopt
rules to designate or protect areas of environmental concern, to govern the use of sandbags, or to
govern the use of erosion control structures in estuarine shorelines.

(c) The Commission may renew a permit for a permanent erosion control structure
originally permitted pursuant to a variance granted by the Commission prior to July 1, 1995,
consists of a field of geotextile sand tubes, the field of geotextile sand tubes may be replaced with
rock erosion control structures subject to the following criteria:

(1) The number of rock erosion control structures shall be equal to or less than
the number of geotextile sand tubes originally permitted.

(2) The structure(s) or field of structures may consist of groins, including T-head
or lollipop groins, or breakwaters to be approved by the Division of Coastal
Management, in its discretion, or by variance from the Coastal Resources
Commission.

(3) The structure field shall not be enlarged beyond the alongshore dimensions
authorized under the original permit, and the aggregate overall length of the
rock structures shall not exceed the aggregate overall length of the geotextile
sand tubes authorized under the original permit.

(4) The plans for the work shall be sealed by a professional engineer licensed to
practice pursuant to Chapter 89C of the General Statutes with experience in
engineering in the coastal area.

The Commission shall permit replacement of the geotextile sand tubes with rock erosion
control structures meeting the criteria of subdivisions (1) through (4) of this subsection as
replacement of the permanent erosion control structure originally permitted. Such a permanent
erosion control structure is not a terminal groin and shall not be subject to the provisions of this
section applicable to terminal groins.

(g) The Commission may issue no more than six seven permits for the construction of a
terminal groin pursuant to this section, provided that two of the six seven permits may be issued
only for the construction of terminal groins on the sides of New River Inlet in Onslow County
and Bogue Inlet between Carteret and Onslow Counties.

SECTION 17.(b) No later than July 1, 2024, the Department of Environmental
Quality shall prepare and submit to the United States National Oceanic and Atmospheric
Administration for approval by that agency the proposed changes made to G.S. 113A-115.1, as
enacted by subsection (a) of this section. The Department of Environmental Quality shall report
to the Environmental Review Commission on the status of their activities pursuant to this section
quarterly, beginning September 1, 2024, until such time as the General Assembly repeals this
reporting requirement.

SECTION 17.(c) Subsection (a) of this section becomes effective on the later of the
following dates and apply to applications for permits pending or filed on or after that date:
(1) October 1, 2024.

(2) The first day of a month that is 60 days after the Secretary of Environmental Quality certifies to the Revisor of Statutes that the National Oceanic and Atmospheric Administration has approved the changes made to G.S. 113A-115.1, as enacted by subsection (a) of this section, as required by subsection (b) of this section. The Secretary shall provide this notice along with the effective date of this Section on its website.

PART XVIII. SEVERANCE CLAUSE AND EFFECTIVE DATE

SECTION 18.(a) If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

SECTION 18.(b) Except as otherwise provided, this act is effective when it becomes law.