

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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HOUSE BILL 586  
Committee Substitute Favorable 5/31/11

Short Title: Enhance Water Supply Funding.

(Public)

Sponsors:

Referred to:

April 5, 2011

1 A BILL TO BE ENTITLED  
2 AN ACT TO AMEND THE STATUTES GOVERNING THE CLEAN WATER  
3 MANAGEMENT TRUST FUND TO PROVIDE THAT THE FUND MAY BE USED TO  
4 PRESERVE LANDS FOR THE DEVELOPMENT OF WATER SUPPLY RESERVOIRS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 113A-251 reads as rewritten:

7 "§ 113A-251. Purpose.

8 The General Assembly recognizes that a critical need exists in this State to clean up  
9 pollution in the State's surface waters and to ~~protect~~ protect, preserve, and conserve those  
10 waters that are not yet polluted. The task of cleaning up polluted waters and protecting and  
11 enhancing the State's water resources is multifaceted and requires different approaches,  
12 including innovative pilot projects, that take into account the problems, the type of pollution,  
13 the geographical area, and the recognition that the hydrological and ecological values of each  
14 resource sought to be upgraded, conserved, and protected are unique.

15 It is the intent of the General Assembly that moneys from the Fund created under this  
16 Article shall be used to help finance projects that specifically address water pollution problems  
17 and focus on upgrading surface waters, eliminating pollution, and ~~protecting~~ protecting,  
18 preserving, and conserving unpolluted surface waters, including enhancement or development  
19 of urban drinking water supplies. It is the further intent of the General Assembly that moneys  
20 from the Fund also be used to build a network of riparian buffers and greenways for  
21 environmental, educational, and recreational benefits. It is lastly the intent of the General  
22 Assembly that moneys from the Fund also be used to preserve lands that could be used for  
23 water supply reservoirs. While the purpose of this Article is to focus on the cleanup and  
24 prevention of pollution of the State's surface ~~waters~~ waters, ~~and~~ the establishment of a network  
25 of riparian buffers and greenways, and the preservation of property for establishing clean water  
26 supplies, the General Assembly believes that the results of these efforts will also be beneficial  
27 to wildlife and marine fisheries habitats."

28 SECTION 2. G.S. 113A-253 reads as rewritten:

29 "§ 113A-253. Clean Water Management Trust Fund.

30 (a) Fund Established. – The Clean Water Management Trust Fund is established as a  
31 special revenue fund. The Fund receives revenue from the following sources and may receive  
32 revenue from other sources:

33 (1) Annual appropriations under ~~G.S. 143-15.3B~~ G.S. 113A-253.1.

34 (2) Scenic River special registration plates under G.S. 20-81.12.

35 (b) Fund Earnings, Assets, and Balances. – The State Treasurer shall hold the Fund  
36 separate and apart from all other moneys, funds, and accounts. Investment earnings credited to



1 the assets of the Fund shall become part of the Fund. Any balance remaining in the Fund at the  
2 end of any fiscal year shall be carried forward in the Fund for the next succeeding fiscal year.  
3 Payments from the Fund shall be made on the warrant of the Chair of the Board of Trustees.

4 (c) Fund Purposes. – Moneys from the Fund are appropriated annually to finance  
5 projects to clean up or prevent surface water pollution and for land preservation in accordance  
6 with this Article. Revenue in the Fund may be used for any of the following purposes:

- 7 (1) To acquire land for riparian buffers for the purposes of providing  
8 environmental protection for surface waters and urban drinking water  
9 supplies and establishing a network of riparian greenways for environmental,  
10 educational, and recreational uses and to retire debt incurred for this purpose  
11 under Article 9 of Chapter 142 of the General Statutes.
- 12 (2) To acquire conservation easements or other interests in real property for the  
13 purpose of protecting and conserving surface waters and enhancing urban  
14 drinking water supplies-supplies, including the development of water supply  
15 reservoirs, and to retire debt incurred for this purpose under Article 9 of  
16 Chapter 142 of the General Statutes.
- 17 (3) To coordinate with other public programs involved with lands adjoining  
18 water bodies to gain the most public benefit while protecting and improving  
19 water quality and to retire debt incurred for this purpose under Article 9 of  
20 Chapter 142 of the General Statutes.
- 21 (4) To restore previously degraded lands to reestablish their ability to protect  
22 water quality and to retire debt incurred for this purpose under Article 9 of  
23 Chapter 142 of the General Statutes.
- 24 (5) To repair failing wastewater collection systems and wastewater treatment  
25 works if the repair is a reasonable remedy for resolving an existing waste  
26 treatment problem and the repair is not for the purpose of expanding the  
27 system to accommodate future anticipated growth of a community.
- 28 (6) To repair and eliminate failing septic tank systems, to eliminate illegal  
29 drainage connections, and to expand a wastewater collection system or  
30 wastewater treatment works if the expansion eliminates failing septic tank  
31 systems or illegal drainage connections.
- 32 (7) To finance stormwater quality projects.
- 33 (8) To facilitate planning that targets reductions in surface water pollution.
- 34 (8a) To finance innovative efforts, including pilot projects, to improve  
35 stormwater management, to reduce pollutants entering the State's waterways,  
36 to improve water quality, and to research alternative solutions to the State's  
37 water quality problems.
- 38 (9) To fund operating expenses of the Board of Trustees and its staff.

39 (d) Limit on Operating and Administrative Expenses. – No more than two percent (2%)  
40 of the annual balance of the Fund on 1 July or a total sum of one million two hundred fifty  
41 thousand dollars (\$1,250,000), whichever is greater, may be used each fiscal year for  
42 administrative and operating expenses of the Board of Trustees and its staff."

43 **SECTION 3.** G.S. 113A-253.1 reads as rewritten:

44 "**§ 113A-253.1. The Clean Water Management Trust Fund; appropriation.**

45 (a) The General Assembly finds that, due to the critical need in this State to clean up  
46 pollution in the State's surface ~~waters and waters,~~ to protect and conserve those waters that are  
47 not yet polluted, and to preserve lands that may be used for water supply reservoirs, it is  
48 imperative that the State provide a minimum of one hundred million dollars (\$100,000,000)  
49 each calendar year to the Clean Water Management Trust Fund; therefore, there is annually  
50 appropriated from the General Fund to the Clean Water Management Trust Fund the sum of  
51 one hundred million dollars (\$100,000,000).

1 (b) The funds in the Clean Water Management Trust Fund shall be used only in  
2 accordance with this Article."

3 **SECTION 4.** G.S. 113A-256 reads as rewritten:

4 "**§ 113A-256. Clean Water Management Trust Fund Board of Trustees: powers and**  
5 **duties.**

6 (a) Allocate Grant Funds. – The Trustees shall allocate moneys from the Fund as  
7 grants. A grant may be awarded only for a project or activity that satisfies the criteria and  
8 furthers the purposes of this Article.

9 (b) Develop Grant Criteria. – The Trustees shall develop criteria for awarding grants  
10 under this Article. The criteria developed shall include consideration of the following:

11 (1) The significant enhancement and conservation of water quality in the State.

12 (2) The objectives of the basinwide management plans for the State's river  
13 basins and watersheds.

14 (3) The promotion of regional integrated ecological networks insofar as they  
15 affect water quality.

16 (4) The specific areas targeted as being environmentally sensitive.

17 (5) The geographic distribution of funds as appropriate.

18 (6) The preservation of water resources with significant recreational or  
19 economic value and uses.

20 (7) The development of a network of riparian buffer-greenways bordering and  
21 connecting the State's waterways that will serve environmental, educational,  
22 and recreational uses.

23 (8) Water supply availability and the public's need for resources adequate to  
24 meet demand for essential water uses. Criteria developed pursuant to this  
25 subdivision may include consideration of the likelihood of a proposed water  
26 supply project ultimately being permitted and built.

27 (c) Develop Additional Guidelines. – The Trustees may develop guidelines in addition  
28 to the grant criteria consistent with and as necessary to implement this Article.

29 (d) Acquisition of Land. – The Trustees may acquire land by purchase, negotiation, gift,  
30 or devise. Any acquisition of land by the Trustees must be reviewed and approved by the  
31 Council of State and the deed for the land subject to approval of the Attorney General before  
32 the acquisition can become effective. In determining whether to acquire land as permitted by  
33 this Article, the Trustees shall consider whether the acquisition furthers the purposes of this  
34 Article and may also consider recommendations from the Council. Nothing in this section shall  
35 allow the Trustees to acquire land under the right of eminent domain.

36 (e) Exchange of Land. – The Trustees may exchange any land they acquire in carrying  
37 out the powers conferred on the Trustees by this Article.

38 (f) Land Management. – The Trustees may designate managers or managing agencies  
39 of the lands acquired under this Article.

40 (g) Tax Credit Certification. – The Trustees shall develop guidelines to determine  
41 whether land donated for a tax credit under G.S. 105-130.34 or G.S. 105-151.12 are suitable for  
42 one of the purposes under this Article and may be certified for a tax credit.

43 (h) Rule-making Authority. – The Trustees may adopt rules to implement this Article.  
44 Chapter 150B of the General Statutes applies to the adoption of rules by the Trustees.

45 (i) Repealed by Session Laws 1999-237, s. 15.11, effective July 1, 1999.

46 (j) Debt. – Of the funds credited annually to the Fund, the Trustees may authorize  
47 expenditure of a portion to reimburse the General Fund for debt service on special indebtedness  
48 to be issued or incurred under Article 9 of Chapter 142 of the General Statutes for the purposes  
49 provided in G.S. 113A-253(c)(1) through (4). In order to authorize expenditure of funds for  
50 debt service reimbursement, the Trustees must identify to the State Treasurer and the  
51 Department of Administration the specific capital projects for which they would like special

1 indebtedness to be issued or incurred and the annual amount they intend to make available, and  
2 request the State Treasurer to issue or incur the indebtedness. After special indebtedness has  
3 been issued or incurred for a capital project requested by the Trustees, the Trustees must direct  
4 the State Treasurer to credit to the General Fund each year the actual aggregate principal and  
5 interest payments to be made in that year on the special indebtedness, as identified by the State  
6 Treasurer."

7 **SECTION 5.** This act is effective when it becomes law.