

**Bills awaiting Governor's signature as of August 2, 2013
with staff analysis from NC League of Municipalities**

HB 74:

Periodic Review and Expiration of Rules - would mandate that all rules expire within 10 years of their effective dates, unless readopted. The bill also would subject current rules to a schedule for expiration; most environment rules would expire December 31, 2017, unless readopted.

Bill sponsors presented this proposal as a starting point for discussion, saying they intended to implement a rigorous agency review of all the rules currently in the N.C. Administrative Code. They asked for input on the proposal and received an immediate suggestion for a contrasting rule review process from N.C. Dept. of Environment and Natural Resources (DENR). The DENR proposal would extend statewide a program currently in place for water quality rule reviews.

Currently, rule repeals must follow the same rulemaking procedures as when an agency proposes a new rule. The League included easing repeal of rules as one of its top regulatory priorities.

Update (7/31/13)

Ratified on the last day of session, this omnibus regulatory reform bill was passed in place of SB 112. Of particular concern to municipalities, cities and towns may not enact ordinances to regulate the field or rules of an environmental agency unless unanimously approved by present voting members of a city council. Though this places a *de facto* moratorium on this type of ordinance, previous versions flatly prohibited enactment of ordinances more stringent than federal or state statute or rule for any field. The League worked extensively with legislators to transform the bill to lessen the impact on cities, limiting the effect to environmental ordinances only. The ratified version also forms an Environmental Review Commission to study the circumstances under which municipalities should be authorized to do so.

HB 74 also contains language that will allow owners of all permitted billboards to rebuild their signs forever, irrespective of their non-conforming status. Other parts of the bill of potential interest to cities and towns include redefining "built-upon area" as not including gravel in impervious surface calculations, a study of engineer review of technical designs, and language related to brownfields redevelopment.

SB 515:

SB 515 continues the current Jordan Lake water quality measures, including the protection of existing riparian buffers rule, but delays additional measures that were to be implemented July 1, 2013 or later, for three years. The law also modifies existing Protection of Existing Riparian Buffers Rule to allow some exempt uses, including the permitted piping of streams by the U.S. Army Corps of Engineers and an expanded definition of "airport facilities." These changes are required to be adopted by the Environmental Management Commission in an amended rule. The delayed measures include the Jordan Lake Rules, as well as the Jordan Lake Session Laws.

The original bill would have implemented a rule to replace the Jordan Lake Rules and would have allowed the state's water and sewer authorities some flexibility to set rates; a Senate substitute would have created a study committee to consider alternate clean-up approaches.

(This bill does not change the timeline for enacting the Jordan Lake Rules for State and Federal entities, for example UNC-CH, since the original Jordan Lake Rules deadline for these groups was July 1, 2013.)

Also, Session Law 2013-360 - the state budget - Section 14.3 concerns the Jordan Lake Water Quality Improvement Act- requiring the use of CWMTF monies for DENR to install and study the in-lake treatment system in lieu of the Jordan Lake Rules requirements for upstream communities to enact stormwater controls. Also mandates significant changes to the EMC.