

Topsail Island Shoreline Protection Commission

Legislative Report May 3, 2024

The Legislature resumed their work this week, advancing a few high-profile and contentious bills. Notably, the ICE immigration bill, which mandates sheriff cooperation, and the bill to fully fund the waitlist for the Opportunity Scholarship program have both been sent back to the House for concurrence. Should the House disagree with the changes, these bills would head to a Conference Committee for resolution, though passage is anticipated for both.

The Senate Judiciary Committee took up House Bill 10 this week amid a packed audience, focusing on mandating North Carolina sheriffs to fully cooperate with U.S. Immigration and Customs Enforcement (ICE). Representative Destin Hall emphasized that most sheriffs had voluntarily complied with ICE until about 2018, and the bill aims to ensure universal adherence. An amendment, supported unanimously in the committee, allows any party, including federal agencies, to report non-compliance to the attorney general. The bill has been approved by the Senate and is now returning to the House for concurrence. Proponents view it as necessary for law enforcement safety and community protection, citing incidents like the recent Charlotte shooting which, while unrelated to immigration, underscored the risks law enforcement officers face.

North Carolina Senate Proposes Major Funding Boost for Private School Vouchers

North Carolina Senate Republicans are advancing legislation to significantly increase funding for the Opportunity Scholarship program, which now extends private school vouchers to families of all income levels. The bill proposes an additional \$248 million for the upcoming school year to clear the existing waitlist of nearly 55,000 children and ensure every applicant can access these funds. This move comes after the elimination of income caps last year, which led to a surge in applications, especially from higher-income families.

Critics argue that these funds could be more effectively used to support underfunded public schools and raise teacher salaries. Governor Roy Cooper, a vocal opponent of the expanded voucher system, has proposed a budget that would freeze scholarship awards at current levels, redirecting approximately \$174 million to public education. His budget also emphasizes significant raises for teachers and one-time bonuses for all public school employees, contrasting sharply with the legislative push to expand private school funding.

Democrats in the Senate have criticized the voucher expansion as unfair, arguing that it diverts needed resources from public schools to subsidize private education for affluent families. They also highlight a lack of accountability for private schools receiving these funds, noting that these schools are not subject to the same academic standards as public institutions and can exclude students based on religious criteria.

The debate over this issue underscores a broader ideological clash over education funding priorities in North Carolina, with Republican lawmakers championing increased school choice through vouchers as a means to empower parents and provide alternatives to public education, while Democrats and public education advocates call for bolstered support for public schools as they struggle with resource shortages.

North Carolina Congressional Candidate Suspends Campaign After Trump Endorsement Shifts Runoff Dynamics

In an unexpected turn of events in North Carolina politics, Kelly Daughtry, a Republican congressional candidate for the 13th District, has suspended her campaign during the May 14 Republican runoff, endorsing her opponent, Brad Knott. Daughtry's decision followed an endorsement of Knott by former President Donald Trump, which significantly shifted the dynamics of the race. Daughtry, who led the March primary but did not secure a majority, prompting a runoff, has stated that the endorsement made her path to victory unlikely. Despite the ballots already being printed and some votes cast, Daughtry's withdrawal aims to unify the Republican Party and support Knott's candidacy. However, if Daughtry still receives the majority of votes, she could technically be declared the winner, which would leave the decision to the GOP district executive committee to choose the nominee. Brad Knott, appreciating Daughtry's endorsement, emphasized his commitment to addressing key issues such as border security and government spending. This electoral twist highlights the unpredictability of runoffs and the significant impact of high-profile endorsements in shaping electoral outcomes. The situation remains complex as voters may still cast ballots for Daughtry, unaware of her withdrawal, potentially leading to an unexpected result despite her suspension of the campaign.

The Senate Transportation Committee cast a favorable vote to confirm the current Interim Transportation Secretary, Joey Hopkins, as the permanent Secretary. A full Senate vote on this confirmation is anticipated for next week.

State lawmakers in Raleigh have reconvened with the main priority of making budget adjustments. Appropriations Committee Chairman Representative Jason Saine, indicated that the session is expected to be straightforward with few controversial issues anticipated. He highlighted the state's economic prosperity, which has resulted in another budget surplus, presenting a challenge in deciding the optimal investment areas for these funds.

Additionally, it is bill filing season, and legislators are busy drafting and submitting their bills ahead of the deadline. It's important to note that during the short session, newly filed bills must either be local in nature or have a financial or appropriations component.

The legislature adjourned on Thursday and will reconvene on Monday May 6.

BILLS OF INTEREST

<u>House Bill 922, Marine Life Protection Act</u>, introduces Part 2K, "Management of Certain Balloon Releases," to Article 9 of GS Chapter 130A, targeting the environmental impact of balloon releases. It criminalizes the release of balloons, punishable as an infraction, and grants

the Secretary of Environmental Quality authority to levy administrative penalties for such violations. However, the bill specifies exemptions for balloon releases conducted by government agencies or under government contracts for scientific or meteorological purposes, recovered hot air balloons, and balloons released within enclosed structures that prevent their escape into the environment. To support the enforcement of this prohibition, the bill appropriates \$100,000 from the General Fund to the Department of Environmental Quality for educational activities for the 2024-25 fiscal year. The new regulations would take effect on January 1, 2025, with the funding provision becoming effective on July 1, 2024. **Introduced by Reps. Harrison (D), Autrey (D), Butler (D), and Belk (D) and referred to the House Committee on Appropriations.**

House Bill 998/Senate Bill 858, Blue Ribbon Task Force/Sewer Infrastructure, establishes the Blue Ribbon Task Force on Wastewater Infrastructure Development in North Carolina. This initiative responds to the identified \$11 billion in unmet wastewater infrastructure needs across the state, emphasizing the importance of modern and functional wastewater systems for both economic growth and environmental health.

Task Force Composition and Leadership: The Task Force will consist of 18 members, including legislators, designated nonvoting ex officio members from government departments, and advisory members from local government wastewater entities. The Senate President Pro Tempore and the Speaker of the House will each appoint a co-chair.

Purpose and Responsibilities: The Task Force is charged with reviewing the current state of wastewater infrastructure, developing strategies for implementing wastewater treatment projects, addressing challenges in project financing and construction, identifying future needs, and finding funding mechanisms, including assessing potential contributions from industrial wastewater discharges.

Consultation and Staff Support: The Task Force will consult with various stakeholders including the Department of Commerce and the Utilities Commission. It will also receive staff and clerical support from the Legislative Services Officer and other legislative staff.

Meetings and Reporting: Authorized to begin meetings from July 1, 2024, the Task Force will operate until December 1, 2026, by which time it must submit a final report with findings, recommendations, and proposed legislation to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources.

Funding: An appropriation of \$10,000 from the General Fund for the fiscal year 2024-2025 is designated to support the activities of the Task Force.

House version was introduced by Rep. Everitt (D) and is awaiting committee referral. The Senate version was introduced by Sens. Grafstein (D), Batch (D), Garrett (D) and is also awaiting committee referral.

<u>House Bill 1044, County Tier Designation Study Bill</u>, directs the North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill to conduct a study evaluating

potential changes to the county tier designation system used in the state, as specified in G.S. 143B-437.08.

Changes to Evaluation Criteria: The study will explore altering the criteria used to rank the state's counties, potentially impacting how resources and aid are distributed.

Assignment of Tier Designations: It will examine modifications to the method by which counties are assigned their tier designations, which could affect their eligibility for various state programs.

Timing of Rankings: The study will also look into adjusting the frequency or timing of when county rankings are assessed and updated.

The Collaboratory is to collaborate with the Department of Commerce, the Department of Health and Human Services, and the Department of Public Instruction to ensure a comprehensive evaluation. The focus will be on aligning proposed changes with the state's economic development goals, utilizing current and high-quality data, ensuring the methodology is understandable, and accurately identifying regions that are economically distressed.

The timeline for this study includes a preliminary report due by December 31, 2024, and a final report by December 1, 2025, both to be submitted to the Joint Legislative Oversight Committee on Economic Development and Global Engagement and the Fiscal Research Division.

Additionally, the bill appropriates \$100,000 from the General Fund for the fiscal year 2024-2025 to support the execution of this study. The act is set to become effective on July 1, 2024.

Introduced by Reps. Johnson (R) and Reives (D) and is awaiting committee referral.

<u>House Bill 1053, Sea Turtle Protection Act</u>, is designed to safeguard sea turtles by regulating artificial lighting in coastal areas of North Carolina where turtles are known to nest.

Designation of Nesting Sites: The Wildlife Resources Commission is tasked with establishing designated coastal areas likely to be used by sea turtles for nesting. These areas will be clearly marked and published on the Commission's website.

Lighting Restrictions: The bill imposes specific restrictions on artificial lighting to minimize its impact on turtle habitats. This includes:

- Prohibiting floodlights and ensuring wall-mounted fixtures do not illuminate the beach.
- Requiring pole lighting to be equipped with turtle-friendly lighting or shielded to prevent illumination of the beach.
- Mandating the use of low-profile luminaires for parking lots and dune crossings.
- Implementing turtle-friendly lighting or hoods for balcony lights and window treatments to prevent light from shining onto the beach from upper floors.

Enforcement and Penalties: Violations of these lighting restrictions will lead to warnings and fines, enforceable by local law enforcement or government code enforcement agents.

Financial Incentives: The bill appropriates \$400,000 for the 2024-2025 fiscal year to fund grants that help homeowners and builders cover up to 50% of the cost for installing turtle-friendly lighting. Additionally, grants will support law enforcement and local code enforcement agencies in enforcing these new regulations and in public education efforts.

Reporting and Administrative Details: The Commission is required to report on the use of grant funding and the status of turtle-friendly lighting installation annually until all funds are used. They are also allowed to retain a portion of the funds for administrative expenses related to managing the grant programs and site designations.

Effective Dates: Different sections of the act have specific effective dates, with the main provisions related to lighting restrictions becoming effective on January 1, 2025, and additional provisions for existing structures taking effect on January 1, 2026.

Introduced by Reps. Cervania (D), Harrison (D), Butler (D), Longest (D) and is awaiting committee referral.

<u>Senate Bill 832, 2024 Safe Drinking Water Act</u>, is aimed at enhancing the safety of drinking water in North Carolina by establishing stricter regulatory standards for contaminants known or suspected to be carcinogenic or toxic.

Rulemaking for Maximum Contaminant Levels (MCLs): The Commission for Public Health is mandated to establish MCLs by October 15, 2024, for specific harmful substances found in drinking water. These substances include Per- and poly-fluoroalkyl substances (PFAS), Perfluorooctanoic acid (PFOA), Perfluorooctane sulfonate (PFOS), Hexavalent chromium (chromium-6), and 1,4-Dioxane. Additionally, the Commission is directed to consider MCLs for other contaminants regulated in at least two other states.

Review and Adoption of MCLs: In setting these standards, the Commission is required to review MCLs adopted by other states, as well as scientific studies and evidence from the Agency for Toxic Substances and Disease Registry and other peer-reviewed sources. The adopted MCLs must protect public health, including that of vulnerable subpopulations such as pregnant and nursing mothers, infants, and children, and must not exceed any existing MCLs or health advisories set by the United States Environmental Protection Agency.

Annual Review and Rulemaking: The Commission is also required to conduct an annual review of the latest science and studies on contaminants and undertake additional rulemaking as necessary to establish or revise MCLs to protect public health.

Funding and Staffing: To support these activities, the bill appropriates six million dollars (\$6,000,000) in recurring funds for the fiscal year 2024-2025 to the Department of Health and Human Services. This funding will also allow for the establishment of up to 37 full-time equivalent (FTE) positions.

Introduced by Sens. Smith (D), Batch (D), Garrett (D) and is awaiting committee referral.

<u>Senate Bill 850, Coastal Plain Resilience and Eco. Pros. Act</u>, aims to strengthen environmental management and infrastructure resilience across North Carolina. The bill focuses on enhancing various programs within the Department of Environmental Quality and allocates significant funding for the fiscal year 2024-2025 to support these initiatives.

Resilient Coastal Communities Program: \$1,710,000 is allocated for staffing and supporting projects that reduce flood risks and promote long-term resilience in coastal areas.

Coastal Habitat Assessment Program: \$470,000 is designated to fund five full-time positions aimed at assessing coastal habitats.

Flood Resiliency Blueprint: \$990,000 is appropriated to continue the implementation of strategies for increasing flood resilience, supporting six full-time positions.

Technical Assistance and Customer Service: \$1,710,000 in recurring funds and \$500,000 in nonrecurring funds are set aside to enhance technical assistance to the business community, assist in grant administration for recycling industry growth, and improve customer service in regional offices.

Marine Patrol Officer Positions: The Division of Marine Fisheries receives \$600,000 in recurring funds and \$10,000 in nonrecurring funds to add five full-time marine patrol officers.

Mobile Air Quality Monitoring: \$400,000 in recurring funds and \$550,000 in nonrecurring funds are provided for staffing a mobile air quality monitoring unit with three full-time positions.

Hazard Dam Studies: \$3,150,000 in nonrecurring funds are allocated for overtopping studies of high and intermediate hazard dams statewide.

Superfund Cleanup Cost-Share: \$1,500,000 in nonrecurring funds are set aside for the state's cost-share required for Superfund cleanups on the National Priority List sites, including operating and maintenance costs.

Emerging Compounds Management: To address issues related to emerging compounds such as PFAS, \$4,010,000 in recurring funds and \$590,000 in nonrecurring funds will support 24 full-time positions.

Water Infrastructure Fund: \$2 billion in nonrecurring funds is appropriated to the Water Infrastructure Fund, designated for construction grants for public water and wastewater systems to improve infrastructure and ensure safe drinking water.

Introduced by Sens. Batch (D), Smith (D), Grafstein (D) and is awaiting committee referral.

<u>Senate Bill 866, Wetlands Protection and Restoration Act</u>, is designed to enhance the protection and restoration of wetlands across North Carolina.

Funding Allocation:

- Establishment of Fund: The bill appropriates \$15 million in recurring funds for the 2024-2025 fiscal year to establish the Wetlands Restoration and Protection Fund within the Department of Environmental Quality. This fund is intended to support wetland restoration projects, acquire conservation easements, and promote public awareness and volunteer involvement in wetland protection.
- Research and Monitoring: Additionally, \$5 million of the total funds is specifically designated for wetland monitoring and research to assess the health and ecological value of wetlands.

Legislative Changes:

- Repeals: The bill repeals specific sections of previous state laws that may have undermined wetland protections, ensuring that isolated wetlands receive adequate legal protection.
- Definition Amendments: It updates legal definitions to clearly include isolated wetlands, enhancing their protection under state environmental regulation.

Reporting and Accountability:

- The Department of Environmental Quality is required to submit an annual report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division. This report will detail the use of funds, the progress of funded projects, and the outcomes of monitoring and research initiatives.

Effective Dates:

- The financial provisions take effect on July 1, 2024, while the rest of the act becomes effective immediately upon becoming law.

Introduced by Sens. Batch (D), Smith (D), Grafstein (D) and is awaiting committee referral.

<u>Senate Bill 884, Funds/Water Filtration Grants</u>, aims to enhance access to safe drinking water for low-income households in specific areas of North Carolina. The bill outlines financial support and the targeted application of water filtration systems within the Neuse and Cape Fear river basins.

Funding Allocation:

- The bill appropriates \$2,500,000 in nonrecurring funds from the General Fund for the fiscal year 2024-2025. These funds are allocated to the Department of Environmental Quality to be used specifically for the Bernard Allen Memorial Emergency Drinking Water Fund, as established by G.S. 87-98.

Purpose and Use of Funds:

- The allocated funds are designated for the provision of water filtration systems to households with incomes at or below 150% of the federal poverty level that are located in the Neuse and Cape Fear river basins.

Type of Filtration Systems:

- The funding is intended for the purchase and installation of point-of-use or point-of-entry drinking water filtration systems capable of removing per-fluoroalkyl and polyfluoroalkyl substances, which are contaminants known to pose health risks.

Effective Date:

- The act is set to become effective on July 1, 2024.

Introduced by Sen. Sawrey (R) and is awaiting committee referral.

For more information about legislation described in the legislative reports, feel free to contact us at mfrazier@nexsenpruet.com or dferrell@nexsenpruet.com, or at (919) 573-7421. Information is also available on the General Assembly's website: www.ncleg.gov.

<u>Prepared By</u>: David P. Ferrell, Clark Riemer and Chase Horton – TISPC Lobbyists

MAYNARD NEXSEN PC

4141 Parklake Ave, Suite 200

Raleigh, North Carolina 27612

Telephone: (919) 573-7421

dferrell@maynardnexsen.com

www.maynardnexsen.com