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## Legislature Reconvenes for Short Session

The N.C. General Assembly reconvened for this year's Short Session and began its work in earnest this week. With that resumption of regular legislative business, starting today, the League's Bulletin will come to your inboxes weekly instead of the monthly publication schedule we follow during the legislative interim. Read the other articles in this issue for the most important matters that have come up for cities in this first full week of the session.

Otherwise, the primary task of legislators during a Short Session is to adjust the state budget based on updated revenue collections. This year, legislators will have over \$1.2 billion in additional revenue to allocate, mostly due to unanticipated increases in state tax revenues. Already this week, [the Senate voted](#) to allocate \$248 million of that sum to fully fund the Opportunity Scholarship program for K-12 private school vouchers. While that debate has yet to finish, it and other decisions over how to spend these additional revenues are expected to extend the legislative session well into the summer.

One item in the budget mix is a proposal from state leaders to continue funding programs for cities run by the League. These programs assist cities with [financial capacity and reliability](#), [cybersecurity](#), [grant writing](#), and other technical assistance services. Without an assured source of funding, these services will end when their initial grant funding expires in Dec. 2026. These services have already helped over 100 towns across the state to become more resilient, and additional funding would allow these successful programs to reach even more towns.

House Majority Leader John Bell and House Minority Leader Robert Reives, along with Rep. Jared Lowery and Rep. Renee Price, proposed a \$7 million appropriation to NCLM that could continue these programs for cities in the most distressed areas of the state. Additionally, Gov. Cooper included a \$3 million appropriation for NCLM in his budget proposal that would fund this assistance for cities. The League extends its deepest thanks to these state leaders for recognizing the value of these important programs for cities across the state.

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## Legislators Amend, Advance Building Code Omnibus Bill

House legislators this week rolled out a new version of legislation, [SB 166 2024 Bldg. Code Regulatory Reform](#), aimed at reorganizing the Building Code Council, as well as making changes to the code and other land development regulations. The bill evolved significantly from its original version in the Senate, with changes not made public until just hours before its first committee hearing in the House.

Provisions of interest to cities and towns include:

- **Section 1.4:** Requires a local government reviewing residential building plans for issuance of a building permit to perform its initial review concurrently with processes for other development approvals required from other agencies (state, federal, and local). Failure to conduct initial review within 15 business days entitles applicant to a refund of ten percent (10%) of their total permit application fee per business day, up to 10 business days.
- **Section 1.5:** Clarifies that no local government shall withhold a building permit or certificate of occupancy for another parcel, separate permit, or compliance with land-use regulations unless determined to be a public safety issue. Public safety issues shall not include 1) landscaping around dwellings within individual lots, 2) landscaping within common areas within a subdivision, or 3) street lighting fixtures within common areas of a subdivision.
- **Section 1.9:** Prohibits regulation requiring the addition of "supplemental remote residential parking facilities" within subdivision developments which would be defined as a parking areas parking facility, or parking lot designed as a per dwelling supplement to available on-street parking for the purpose of serving residential dwellings.
- **Section 1.13(a):** Clarifies performance guarantees must only be used for completion of required improvements and not for repairs and maintenance after completion. Requires local government to inspect improvements within 30 days of the developer's request and allow a developer to obtain certification from a licensed engineer that required improvements are complete if the developer and local government disagree. The provision also requires the return or release of a performance guarantee within 30 days upon acknowledgement or certification that required improvements are complete.

The 73-page bill was heard by the [House Local Government – Land Use, Planning and Development Committee](#) on Tuesday. The bill was given that committee's approval and moves on for consideration by the [House Finance Committee](#).

Should you have feedback regarding the bill provisions, please contact NCLM Government Affairs Associate Derrick Applewhite, [dapplewhite@nclm.org](mailto:dapplewhite@nclm.org).

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## Building Code Omnibus Makes Changes to Backflow, Stormwater Regulation

The Building Code Omnibus legislation cited above revives two issues that municipalities have seen in the past – backflow preventer requirements and “built-upon” definitions related to stormwater regulation.

As noted above, the House Committee on Local Government – Land Use, Planning, and Development this week gave its approval to [SB 166 2024 Building Code Regulatory Reform](#). In Section 1.1 of the bill, local governments would be prohibited from requiring an existing utility customer to install a backflow preventer unless a hazard determination is made by the utility or the State. League members had earlier voiced concerns over this provision, which originally passed the Senate as a standalone bill in the long session. Despite the committee's quick approval, negotiations with both House and Senate sponsors of this section continue with a push

for liability protection for municipalities and flexibility to protect the public from potential contamination due to a backflow. The House Finance Committee is expected to take up SB166 next week.

The legislation also includes a change to the definitions of “built upon area” for stormwater controls. Section 4.48(a) of SB 166 would recodify the existing list of surfaces that are not considered as part of the “built-upon area” or impervious. Further the section would add artificial turf to the list of exemptions. Finally, the bill would preempt local governments from using any other definition of “built-upon area” or impervious surface beyond what is defined in state or federal law.

As SB 166 moved through the House this week, the Senate considered a nearly identical version of the “built-upon area” provision in [HB 426 Various Environmental Amendments](#). On Wednesday, the Senate Agriculture, Energy, and Environment Committee amended the section to refine the definition of allowable artificial turf to ensure it is “manufactured to allow water to drain through the backing of the turf.” This was changed at the behest of League members who previously raised concerns about the language. The Senate Rules Committee reported the bill favorably on Thursday morning, and full Senate consideration is expected next week. If this bill become law, North Carolina DEQ is expected to undertake rule-making to specify minimum design criteria.

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## PFAS Rules

The release of two rules from the U.S. Environmental Protection Agency related to PFAS drinking water contamination and regulating PFAS as hazardous substances has become the focus of congressional legislation as cities and towns seek liability protections regarding the pollutants and new rules.

Regulating PFAS as hazard substances under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) could have huge cost huge cost and liability implications for local governments, their utilities and local taxpayers and ratepayers. While Congress has made funding available through the Bipartisan Infrastructure Law and other programs to address PFAS and other emerging contaminants, this funding will likely cover only a fraction of the costs and potential liability for municipalities under the strict liability requirements of CERCLA.

The National League of Cities and NCLM will be working to let members of Congress know of the need for liability protection for cities and their utilities.

In the US Senate, the Senate Environment and Public Works (EPW) Committee has released draft bipartisan legislation to improve the mitigation and remediation of PFAS contamination by providing new resources at the federal, state and local levels. The draft legislation, though, contains no liability protection for municipal utilities, landfills, airports and fire departments.

These entities have been passive receivers of these pollutants, and without liability protection, costs will be shifted from manufacturers to local taxpayers.

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## Bill Tracking Tool

As the legislative Short Session begins, NCLM is pleased to bring [our new bill tracking tool](#) to you in the hopes that it will make keeping up with legislation affecting cities and towns more efficient and effective. This tool, created through Power BI software, will be continually updated each week so that the information is pertinent to what is happening the North Carolina General Assembly as of now.

You will note that the tool places bills in three categories, with those designated as “Active” requiring the most attention. Users are able to scroll through each category, finding information about each bill, and links taking users to bill pages at the NCGA website. Please note that you can scroll down in each window to find all bills, as well as scroll across to find bill information and the NCGA bill page link. Not all categories may include legislation at all times, based on the General Assembly’s schedule and activity, and the consideration of legislation.

Be sure to utilize [this resource](#) throughout the legislative session.

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