



June 14, 2024 | [nclm.org](https://nclm.org)

## Polluter Pays Bill Advances in House Committee

A House committee has advanced legislation that could force manufacturers of “forever chemicals” known as PFAS to reimburse public water systems for the cost of removing the chemicals. [HB 864 PFAS Pollution and Polluter Liability](#) was approved by the House Committee on the Environment and advances to the House Committee on Appropriations for consideration.

The bill, introduced by Reps. Ted Davis (R-New Hanover) and Frank Iler (R-Brunswick), would allow the Secretary of the North Carolina Department of Environmental Quality, under certain circumstances, to order the repayment of treatment costs. HB 864 is an updated version of a similar bill that stalled out in the House in 2022. This year’s version limits liability to manufactures of PFAS and not users of the chemicals for other end-products or uses. It also links the permissible concentration level of PFAS to those established by the EPA.

League staff was present and ready to speak in support of the bill in Committee on Wednesday, but the length of the meeting limited the number of speakers. Several municipalities have already expended nearly \$100 million on system upgrades, and the costs to cities across the state will rise as state and federal PFAS regulations come into effect over the coming years. Ensuring polluters are held responsible is an important way to insulate utilities and ratepayers from the costs of PFAS remediation.

---

## House Passes Bill to Remove Southport’s ETJ Authority

Municipal extra-territorial jurisdictions (ETJ) remain a topic of concern during the short session, even as legislation has focused on local bills or provisions. This week, House legislators approved a measure to remove the City of Southport’s authority to exercise ETJ this week. The bill, [HB 1064 City of Southport/Remove ETJ Authority](#), was first considered in the [House Local Government Committee](#), where legislators heard arguments from both City and Brunswick County officials on the impacts of the bill.

The bill sponsor, Rep. Charles Miller (R-Brunswick and New Hanover), argued that the bill is needed to protect residents from taxation without representation. It is important to note that residents within municipal ETJs do not pay municipal taxes; they are subject

to municipal planning and zoning regulations; and they are represented on local planning boards and boards of adjustment.

The bill moved quickly through the House, also being heard in the [House Rules Committee](#) before passing the full House. While the bill only impacts Southport, county officials have [requested](#) their legislative delegation remove ETJ authority from all municipalities across the county, with municipal officials vigorously opposing the idea. The request comes on the heels of [SB 675 Land Use Clarifications and Changes](#)., filed during the 2023 long session, that would remove municipal ETJs from all counties with less than 50,000 in population. There have been no efforts to revive SB 675 this year, but municipal officials in Moore County appear to have fended off a similar attempt there. NCLM's Government Affairs team will continue to monitor this issue, but we encourage municipal officials to discuss the value of ETJ with your local legislators as the short session continues.

---

## Study of County Tier Designations Advances

A bipartisan bill introduced by Rep. Jake Johnson (R-Henderson, McDowell, Polk and Rutherford) and Minority Leader Robert Rieves (D-Chatham) to study the current county development tier designation system received a favorable recommendation from the House State Government Committee this week. The tier system of economic well-being is used by a variety of programs to determine levels of state funding, with more distressed counties eligible for higher levels. The system has been criticized because wealth can vary widely within counties and the system sets arbitrary limits as to how many counties will fall within each tier.

[HB 1044 County Tier Designation Study Bill](#) would direct the North Carolina Collaboratory, a research center at UNC-Chapel Hill, to study potential changes to the ranking criteria, including how and how often the tiers are assigned. It would also examine how state programs use the tier system for administrative purposes.

In the current tier system, 40 counties are given the Tier 1 designation (most economically distressed), 40 are designated as Tier 2 and 20 as Tier 3. The designations are based on four categories: unemployment rate, median household income, percentage population growth, and adjusted property tax base per capita. This would not be the first time the General Assembly has required a study of the program. In 2015, the [General Assembly's Program Evaluation Division](#) undertook a study and recommended the discontinuation of the tier system within three years and development of a new system for identifying and assisting distressed counties. HB 1044 now goes to the House Committee on Appropriations for consideration.

---



**WORKING AS ONE. ADVANCING ALL.**

[CONTACT US](#)



**Stay Connected with the North Carolina League of Municipalities**

{{Companyaddress}}

[Manage Preferences](#)