

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**SENATE BILL 1465**

Short Title: Swine Farm Env. Performance Standards/Funds. (Public)

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Sponsors: Senators Albertson; Allran, Apodaca, Atwater, Berger of Rockingham, Blake, Brock, Brown, Brunstetter, Clodfelter, Cowell, Dalton, Dannelly, East, Foriest, Forrester, Garrou, Graham, Hoyle, Hunt, Jacumin, Jenkins, Jones, Kerr, Kinnaird, Nesbitt, Pittenger, Preston, Purcell, Queen, Rand, Shaw, Smith, Snow, Stevens, Swindell, Tillman, and Weinstein.

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Referred to: Agriculture/Environment/Natural Resources.

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March 26, 2007

1 A BILL TO BE ENTITLED  
2 AN ACT TO CODIFY AND MAKE PERMANENT THE SWINE FARM ANIMAL  
3 WASTE MANAGEMENT SYSTEM PERFORMANCE STANDARDS THAT  
4 THE GENERAL ASSEMBLY ENACTED IN 1998 AND TO ASSIST FARMERS  
5 TO VOLUNTARILY CONVERT TO INNOVATIVE ANIMAL WASTE  
6 MANAGEMENT SYSTEMS.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.(a)** Part 1A of Article 21 of Chapter 143 of the General Statutes  
9 is amended by adding a new section to read:

10 **"§ 143-215.10I. Performance standards for animal waste management systems**  
11 **that serve swine farms; lagoon and sprayfield systems prohibited.**

12 (a) As used in this section:

13 (1) 'Anaerobic lagoon' means a lagoon that treats waste by converting it  
14 into carbon dioxide, methane, ammonia, and other gaseous  
15 compounds; organic acids; and cell tissue through an anaerobic  
16 process.

17 (2) 'Anaerobic process' means a biological treatment process that occurs in  
18 the absence of dissolved oxygen.

19 (3) 'Lagoon' has the same meaning as in G.S. 106-802.

20 (4) 'Swine farm' has the same meaning as in G.S. 106-802.

21 (b) The Commission shall not issue or modify a permit to authorize the  
22 construction, operation, or expansion of an animal waste management system that  
23 serves a swine farm that employs an anaerobic lagoon as the primary method of  
24 treatment and land application of waste by means of a sprayfield as the primary method  
25 of waste disposal. The Commission may issue a permit for the construction, operation,

1 or expansion of an animal waste management system that serves a swine farm under this  
2 Article only if the Commission determines that the animal waste management system  
3 will meet or exceed all of the following performance standards:

- 4 (1) Eliminate the discharge of animal waste to surface water and  
5 groundwater through direct discharge, seepage, or runoff.
- 6 (2) Substantially eliminate atmospheric emission of ammonia.
- 7 (3) Substantially eliminate the emission of odor that is detectable beyond  
8 the boundaries of the parcel or tract of land on which the swine farm is  
9 located.
- 10 (4) Substantially eliminate the release of disease-transmitting vectors and  
11 airborne pathogens.
- 12 (5) Substantially eliminate nutrient and heavy metal contamination of soil  
13 and groundwater."

14 **SECTION 1.(b)** Continued Operation. – An animal waste management  
15 system that serves a swine farm for which a permit was issued prior to 1 September  
16 2007 and that does not meet the requirements of G.S. 143-215.10I, as enacted by  
17 subsection (a) of this section, may continue to operate under, and shall operate in  
18 compliance with, that permit, including any renewal of the permit.

19 **SECTION 1.(c)** Rule Making. – The Environmental Management  
20 Commission shall adopt rules to implement G.S. 143-215.10I, as enacted by subsection  
21 (a) of this section. Until rules to implement G.S. 143-215.10I become effective, the  
22 Commission, in implementing G.S. 143-215.10I, shall refer to the report entitled,  
23 "Development of Environmentally Superior Technologies – Phase 3 Report: for  
24 Technology Determinations per Agreements Between the Attorney General of North  
25 Carolina and Smithfield Foods, Premium Standard Farms, and Frontline Farmers" dated  
26 8 March 2006. The Commission may consult with the Animal and Poultry Waste  
27 Management Center of North Carolina State University regarding the application and  
28 modification of technical standards required to implement G.S. 143-215.10I.

29 **SECTION 2.(a)** Definitions. – The definitions set out in  
30 G.S. 143-215.10I(a), as enacted by Section 1 of this act, apply to this section. As used  
31 in this section, an "innovative animal waste management system" means an animal  
32 waste management system that serves a swine farm that is permissible under  
33 G.S. 143-215.10I(b), as enacted by Section 1 of this act.

34 **SECTION 2.(b)** Lagoon Conversion Program. – The Lagoon Conversion  
35 Program is hereby established. The Program shall provide grants to assist in the  
36 conversion of animal waste management systems that serve swine farms in operation on  
37 or before 1 September 2007 that employ anaerobic lagoons as the primary method of  
38 treatment to innovative animal waste management systems. Grants under the Program  
39 may be used to assist in the closure of sprayfield and lagoon systems that are replaced  
40 by innovative animal waste management systems if the closure is performed in  
41 accordance with applicable federal and State laws, regulations, and rules. The Program  
42 shall be administered by the Division of Soil and Water Conservation in the Department  
43 of Environment and Natural Resources through the Agriculture Cost Share Program for  
44 Nonpoint Source Pollution Control established pursuant to G.S. 143-215.74. The

1 Division shall administer the Program as provided in this section and Part 9 of Article  
2 21 of Chapter 143 of the General Statutes as modified by this section.

3 **SECTION 2.(c)** Program Functions. – Under the Lagoon Conversion  
4 Program, the Division of Soil and Water Conservation in the Department of  
5 Environment and Natural Resources, through the Agriculture Cost Share Program for  
6 Nonpoint Source Pollution Control shall:

7 (1) Within available funds, provide grants for conversion to innovative  
8 animal waste management systems subject to all of the following  
9 limitations and requirements:

10 a. For cost share contracts approved on or before 30 June 2012  
11 State funding shall be limited to:

12 1. Ninety percent (90%) of the average cost for each  
13 practice with the assisted farmer providing ten percent  
14 (10%) of the cost, which may include in-kind support of  
15 the practice.

16 2. A maximum of five hundred thousand dollars (\$500,000)  
17 per year to each applicant.

18 b. For cost share contracts approved on or after 1 July 2012 and on  
19 or before 30 June 2017 State funding shall be limited to:

20 1. Eighty percent (80%) of the average cost for each  
21 practice with the assisted farmer providing twenty  
22 percent (20%) of the cost, which may include in-kind  
23 support of the practice.

24 2. A maximum of four hundred fifty thousand dollars  
25 (\$450,000) per year to each applicant.

26 c. For cost share contracts approved on or after 1 July 2017 State  
27 funding shall be limited to:

28 1. Seventy-five percent (75%) of the average cost for each  
29 practice with the assisted farmer providing twenty-five  
30 percent (25%) of the cost, which may include in-kind  
31 support of the practice.

32 2. A maximum of four hundred thousand dollars  
33 (\$400,000) per year to each applicant.

34 d. All other limitations and requirements set out in Part 9 of  
35 Article 21 of Chapter 143 of the General Statutes.

36 (2) Establish criteria to prioritize installation of innovative swine waste  
37 management systems, including the cost of purchasing and  
38 maintaining the systems, potential markets for by-products generated  
39 from the systems, and appropriateness for centralization of waste  
40 collection and treatment.

41 (3) Establish priorities to guide the selection of swine farms that are  
42 eligible for participation in the Program, including the swine farm's  
43 geographic location and the grower's compliance history.

- 1 (4) Develop a process for soliciting and reviewing applications from  
2 growers and for selecting growers to participate in the Program.  
3 (5) Investigate and pursue other funding sources to supplement State  
4 funds, including federal, local, and private funding sources.  
5 (6) Provide technical assistance to participating growers to assist with  
6 modifications of waste management systems and facilitate the timely  
7 transfer of technology among participating growers.

8 **SECTION 2.(d)** Report. – No later than 1 November of each year, the  
9 Division of Soil and Water Conservation in the Department of Environment and Natural  
10 Resources shall report to the Environmental Review Commission on the implementation  
11 of the Lagoon Conversion Program. The first report required by this subsection shall be  
12 submitted no later than 1 November 2007.

13 **SECTION 3.(a)** Account. – There is hereby established the Swine Farm  
14 Waste Management System Conversion Account within the Division of Soil and Water  
15 Conservation of the Department of Environment and Natural Resources. Funds in the  
16 Account shall be used only for installation of innovative swine waste management  
17 systems on swine farms in operation on or before 1 September 2007, as provided in this  
18 act. The Account shall consist of funds appropriated to the Account by the General  
19 Assembly; any federal funds available for this purpose; and any grants, gifts, or  
20 contributions to the State for this purpose. Funds in the Account shall not revert.

21 **SECTION 3.(b)** Appropriation. – There is appropriated from the General  
22 Fund to the Swine Farm Waste Management System Conversion Account within the  
23 Division of Soil and Water Conservation of the Department of Environment and Natural  
24 Resources the sum of ten million dollars (\$10,000,000) for the 2007-2008 fiscal year  
25 and the sum of ten million dollars (\$10,000,000) for the 2008-2009 fiscal year. It is the  
26 intent of the General Assembly that this appropriation be a recurring appropriation  
27 through the 2011-2012 fiscal year.

28 **SECTION 3.(c)** Limit on Operating and Administrative Expenses. – No  
29 more than five percent (5%) of the annual balance of the Fund on 1 July or a total sum  
30 of two hundred fifty thousand dollars (\$250,000), whichever is greater, may be used  
31 each fiscal year for administrative and operating expenses of the Task Force and the  
32 Program.

33 **SECTION 4.** Effective Dates. – Section 1 of this act becomes effective 1  
34 September 2007. All other sections of this act become effective 1 July 2007.