

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 1465  
Agriculture/Environment/Natural Resources Committee Substitute Adopted  
4/17/07  
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Short Title: Swine Farm Env. Performance Standards.

(Public)

Sponsors:

Referred to:

March 26, 2007

A BILL TO BE ENTITLED

AN ACT TO CODIFY AND MAKE PERMANENT THE SWINE FARM ANIMAL  
WASTE MANAGEMENT SYSTEM PERFORMANCE STANDARDS THAT  
THE GENERAL ASSEMBLY ENACTED IN 1998 AND TO ASSIST FARMERS  
TO VOLUNTARILY CONVERT TO INNOVATIVE ANIMAL WASTE  
MANAGEMENT SYSTEMS.

The General Assembly of North Carolina enacts:

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

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

(a) As used in this section:

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

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

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

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

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

1 Article only if the Commission determines that the animal waste management system  
2 will meet or exceed all of the following performance standards:

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

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

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

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

33 **SECTION 2.(b)** Lagoon Conversion Program. – The Lagoon Conversion  
34 Program is hereby established. The Program shall provide grants to assist in the  
35 conversion of animal waste management systems that serve swine farms in operation on  
36 or before September 1, 2007, that employ anaerobic lagoons as the primary method of  
37 treatment to innovative animal waste management systems. Grants under the Program  
38 may also be used to:

- 39 (1) Assist in the closure of sprayfield and lagoon systems that are replaced  
40 by innovative animal waste management systems if the closure is  
41 performed in accordance with applicable federal and State laws,  
42 regulations, and rules.
- 43 (2) Establish centralized waste collection and treatment systems that serve  
44 innovative animal waste management systems.

1           **SECTION 2.(c)** Program Administration. – The Program shall be  
2 administered by the Division of Soil and Water Conservation in the Department of  
3 Environment and Natural Resources through the Agriculture Cost Share Program for  
4 Nonpoint Source Pollution Control established pursuant to G.S. 143-215.74. The  
5 Division shall administer the Program as provided in this section and Part 9 of Article  
6 21 of Chapter 143 of the General Statutes.

7           **SECTION 2.(d)** Program Functions. – Under the Lagoon Conversion  
8 Program, the Division of Soil and Water Conservation in the Department of  
9 Environment and Natural Resources, through the Agriculture Cost Share Program for  
10 Nonpoint Source Pollution Control, shall:

11           (1) Within funds available to the Swine Farm Waste Management System  
12 Conversion Account established by Section 3 of this act, provide  
13 grants subject to all of the following limitations and requirements:

14           a. For grants approved on or before June 30, 2012, State funding  
15 shall be limited to:

16                   1. Ninety percent (90%) of the average cost for each  
17 practice with the assisted person providing ten percent  
18 (10%) of the cost, which may include in-kind support of  
19 the practice.

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

22           b. For grants approved on or after July 1, 2012, and on or before  
23 June 30, 2017, State funding shall be limited to:

24                   1. Eighty percent (80%) of the average cost for each  
25 practice with the assisted person providing twenty  
26 percent (20%) of the cost, which may include in-kind  
27 support of the practice.

28                   2. A maximum of four hundred fifty thousand dollars  
29 (\$450,000) per year to each applicant.

30           c. For grants approved on or after July 1, 2017, State funding shall  
31 be limited to:

32                   1. Seventy-five percent (75%) of the average cost for each  
33 practice with the assisted person providing twenty-five  
34 percent (25%) of the cost, which may include in-kind  
35 support of the practice.

36                   2. A maximum of four hundred thousand dollars  
37 (\$400,000) per year to each applicant.

38           d. All other limitations and requirements set out in Part 9 of  
39 Article 21 of Chapter 143 of the General Statutes, as modified  
40 by this section.

41           (2) Establish criteria to prioritize the installation of innovative animal  
42 waste management systems that serve swine farms. Priority shall be  
43 given to systems that are affordable, easily maintained, produce  
44 marketable by-products, reduce or eliminate the emission of ammonia

1 and greenhouse gases, and are capable of being connected to a  
2 centralized waste collection and treatment.

- 3 (3) Establish criteria for the selection of applicants who are eligible for  
4 participation in the Program. Priority shall be given to applicants  
5 whose participation in the program will result in the removal of animal  
6 waste management systems from floodplains; who have substantially  
7 complied with federal and State laws, regulations, and rules for the  
8 protection of the environment, natural resources, and public health;  
9 and who have a limited ability to pay for or finance an innovative  
10 swine waste management system through private or cooperative credit  
11 at reasonable rates and terms.
- 12 (4) Develop a process for soliciting and reviewing applications and for  
13 selecting persons to participate in the Program.
- 14 (5) Investigate and pursue other funding sources to supplement State  
15 funds, including federal, local, and private funding sources.
- 16 (6) Provide technical assistance to participating persons to assist with  
17 modifications of waste management systems and facilitate the timely  
18 transfer of technology among participating persons.

19 **SECTION 2.(e)** The Director of the Division of Soil and Water  
20 Conservation may establish an advisory committee to assist the Division with the  
21 implementation of this act. If the Director establishes an advisory committee, the  
22 Director may direct the advisory committee to evaluate:

- 23 (1) Markets for by-products derived from swine waste and make  
24 recommendations for development of the markets, including  
25 identification of regulatory obstacles.
- 26 (2) Methods to encourage growers, integrators, and electric power  
27 suppliers to cooperate in the production and use of renewable energy  
28 or other marketable by-products derived from swine waste, including  
29 an examination of tax incentives, carbon sequestration credits, and  
30 trading mechanisms.

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

36 **SECTION 3.** Account. – There is hereby established the Swine Farm Waste  
37 Management System Conversion Account within the Division of Soil and Water  
38 Conservation of the Department of Environment and Natural Resources. Funds in the  
39 Account shall be used only as provided in subsection (b) of Section 2 of this act. The  
40 Account shall consist of funds appropriated to the Account by the General Assembly;  
41 any federal funds available for this purpose; and any grants, gifts, or contributions to the  
42 State for this purpose. Funds in the Account shall not revert.

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