

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009**

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**HOUSE BILL 1337**

Short Title: Water Resources Improvement Act of 2009. (Public)

Sponsors: Representatives Gibson, Gillespie (Primary Sponsors); Lucas and Tarleton.

Referred to: Water Resources and Infrastructure, if favorable, Appropriations.

April 9, 2009

A BILL TO BE ENTITLED

1 AN ACT TO CREATE A WATER QUANTITY COST-SHARE PROGRAM TO HELP  
2 FARMERS AND OTHER LANDOWNERS INCREASE OR PRESERVE WATER  
3 STORAGE CAPACITY, DEVELOP AND IMPROVE SURFACE AND  
4 GROUNDWATER SUPPLIES, AND IMPLEMENT WATER CONSERVATION AND  
5 EFFICIENCY PRACTICES.  
6

7       Whereas, water is fundamental to the health, safety, and economy of our State; and

8       Whereas, North Carolina has abundant surface and groundwater resources to sustain  
9 a growing population if managed properly; and

10       Whereas, North Carolinians are known for their innovative approach to solving  
11 environmental and economic challenges; and

12       Whereas, many water resources such as mining pits, borrow pits, salt water  
13 resources, and treated wastewater can be better utilized to meet our water resource needs; and

14       Whereas, innovative systems such as aquifer storage and recovery need to be  
15 implemented in other parts of the State when appropriate; and

16       Whereas, farmers and landowners depend on adequate water resources; and

17       Whereas, the Water Allocation Study, as authorized by S.L 2007-518,  
18 recommended that North Carolina increase its water storage capacity; and

19       Whereas, the Water Allocation Study also recommended that our State ensure that  
20 our water infrastructure is maintained; and

21       Whereas, there are financial and regulatory hurdles that impede construction of both  
22 small- and large-scale water impoundments; and

23       Whereas, the Water Allocation Study also recommended that North Carolina  
24 address critical water resource research and study needs; and

25       Whereas, the Water Allocation Study also recommended rewarding practices that  
26 promote water efficiency; and

27       Whereas, it is in the public interest to promote water efficiency and the expansion of  
28 water storage capacity; and

29       Whereas, North Carolina needs to act now to solve our long-term water resource  
30 needs; and

31       Whereas, farmers and other landowners need assistance in constructing new and  
32 expanding existing water storage structures; and

33       Whereas, farmers and other landowners need assistance in converting to more  
34 water-efficient equipment; Now, therefore,

35 The General Assembly of North Carolina enacts:

36       **SECTION 1.** Chapter 139 of the General Statutes is amended by adding a new  
37 Article to read:



1 "Article 5.

2 "Grants for Water Resources Improvement Projects.

3 "**§ 139-60 Water Resources Improvement Cost-Share Program.**

4 (a) There is created the Water Resources Improvement Cost-Share Program. The  
5 Program shall be created, implemented, and supervised by the Commission.

6 (b) The purpose of the Program shall be to:

7 (1) Increase or preserve water storage capacity.

8 (2) Develop and improve surface and groundwater supplies.

9 (3) Implement water conservation and efficiency practices.

10 (c) The Program shall be subject to the following requirements and limitations:

11 (1) Funding of the Program is available for farmers and other landowners within  
12 North Carolina.

13 (2) Cost-share assistance shall be limited to seventy-five percent (75%) of the  
14 average cost for each project with the farmer or landowner providing  
15 twenty-five percent (25%) of the cost, which may include in-kind support of  
16 the project. Program funding is limited to a maximum of one hundred and  
17 fifty thousand dollars (\$150,000) per year to each applicant.

18 (3) Cost-share funds shall be used for any of the following purposes:

19 a. Expanding or constructing water storage structures.

20 b. Adoption of innovative water storage practices such as, but not  
21 limited to, aquifer storage and recovery systems.

22 c. Development of and improvements to surface and groundwater  
23 resources.

24 d. Conversion to more water-efficient equipment or practices.

25 (4) The Commission may approve additional types of projects or practices  
26 eligible for cost-share assistance, provided that such projects or practices are  
27 consistent with the purposes set forth in subsection (b) of this section.

28 (5) Participation in the Program shall be voluntary.

29 (6) Prioritization of Program funding shall be given to projects that accomplish  
30 the purposes identified in subsection (b) of this section.

31 (d) State funds for the Program shall remain available until expended for the Program.

32 (e) The Commission shall retain the authority to allocate the Program funds.

33 (f) The Commission shall report on or before 31 January of each year to the  
34 Environmental Review Commission and the Fiscal Research Division. This report shall include  
35 a list of projects that received State funding pursuant to the Program, findings regarding the  
36 effectiveness of each of these projects in accomplishing its primary purpose, and any  
37 recommendations to assure that State funding is used in the most cost-effective manner and  
38 accomplishes the greatest improvement in water resources.

39 "**§ 139-61 Water Resources Improvement Trust Fund.**

40 (a) Fund. – The Water Quantity Improvement Trust Fund is established as a  
41 nonreverting fund within the Department of Environment and Natural Resources. The Fund  
42 shall be treated as a special trust fund and shall be credited with interest by the State Treasurer  
43 pursuant to G.S. 147-69.2 and G.S. 147-69.3. The Fund shall consist of funds appropriated to it  
44 by the General Assembly; any federal funds available for the purposes set out in G.S. 139-60;  
45 and any grants, gifts, or contributions to the State for this purpose.

46 (b) Disposition of Funds. – The Fund shall be used for implementation of the Water  
47 Resources Improvement Program as enacted in G.S. 139-60. At least fifty percent (50%) of  
48 Program funds shall be used to assist persons actively engaged in agriculture as defined in G.S.  
49 106-581.1. The Fund shall consist of funds appropriated to it by the General Assembly; any  
50 federal funds available for the purposes set out in G.S. 139-60; and any grants, gifts, or  
51 contributions to the State for this purpose."

1           **SECTION 2.** The Commission may adopt rules to implement the Program created  
2 by Section 1 of this act and may establish a technical advisory committee to assist with  
3 implementation of that Program.

4           **SECTION 3.** The Commission shall evaluate statutory and regulatory impediments  
5 to constructing water impoundments for agricultural purposes and make recommendations,  
6 including proposed legislation, to the Environmental Review Commission no later than  
7 December 31, 2009.

8           **SECTION 4.** This act is effective when it becomes law.