GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2007

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SENATE BILL 1492

Agriculture/Environment and Natural Resources Committee Substitute Adopted 7/23/07

Finance Committee Substitute Adopted 7/25/07 Fourth Edition Engrossed 7/28/07 House Committee Substitute Favorable 7/28/07

Short Title:	Solid Waste Management Act of 2007.	(Public)
Sponsors:		
Referred to:		

March 27, 2007

1 A BILL TO BE ENTITLED 2 AN ACT TO: (1) TO REPEAL THE EXEMPTION FOR SANITARY LANDFILLS 3 OPERATED BY LOCAL GOVERNMENTS FROM THE REQUIREMENTS FOR 4 **IMPACT STATEMENTS** ENVIRONMENTAL UNDER THE 5 CAROLINA ENVIRONMENTAL POLICY ACT OF 1971; (2) CLARIFY THE 6 CIRCUMSTANCES UNDER WHICH AN APPLICATION FOR A SOLID 7 WASTE MANAGEMENT PERMIT MAY BE DENIED; (3) PROVIDE THAT SOLID WASTE MANAGEMENT PERMITS ARE NOT TRANSFERABLE 8 9 WITHOUT THE APPROVAL OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES; (4) INCREASE THE PENALTIES THAT MAY 10 11 BE IMPOSED FOR SOLID WASTE VIOLATIONS; (5) REQUIRE THAT AN 12 APPLICANT FOR A PERMIT AND A PERMIT HOLDER ESTABLISH 13 FINANCIAL RESPONSIBILITY TO ENSURE THE AVAILABILITY OF 14 SUFFICIENT FUNDS FOR PROPER DESIGN, CONSTRUCTION, OPERATION, 15 MAINTENANCE, CLOSURE, AND POST-CLOSURE MONITORING AND MAINTENANCE OF A SOLID WASTE MANAGEMENT FACILITY; (6) 16 17 CLARIFY AND EXPAND THE SCOPE OF ENVIRONMENTAL COMPLIANCE 18 REVIEW REQUIREMENTS; (7) CLARIFY THAT A PARENT, SUBSIDIARY, 19 OR OTHER AFFILIATE OF THE APPLICANT OR PARENT, INCLUDING ANY 20 BUSINESS ENTITY OR JOINT VENTURER WITH A DIRECT OR INDIRECT 21 **APPLICANT** IS **SUBJECT** TO **INTEREST** IN THE **FINANCIAL** 22 RESPONSIBILITY AND ENVIRONMENTAL COMPLIANCE REVIEW; (8) 23 PROVIDE FOR SITING OF COMBUSTION PRODUCTS LANDFILLS IN 24 AREAS THAT HAVE BEEN FORMERLY USED FOR THE STORAGE OR 25 DISPOSAL OF COMBUSTION PRODUCTS **FROM COAL-FIRED**

GENERATING UNITS AT THE SAME FACILITY THAT GENERATED THE COMBUSTION PRODUCTS, AND TECHNICAL REQUIREMENTS FOR THESE LANDFILLS; (9) AUTHORIZE UNITS OF LOCAL GOVERNMENT TO HIRE LANDFILL LIAISONS; (10) DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO DEVELOP A PROPOSED RECYCLING PROGRAM FOR FLUORESCENT LAMPS; (11) DIRECT THE ENVIRONMENTAL REVIEW COMMISSION TO STUDY ISSUES RELATED TO THE FRANCHISE OF SOLID WASTE MANAGEMENT FACILITIES BY UNITS OF LOCAL GOVERNMENT, TRANSPORTATION OF SOLID WASTE BY RAIL AND BARGE, AND SITING AND TECHNICAL STANDARDS FOR SOLID WASTE MANAGEMENT FACILITIES; AND (12) MAKE RELATED CLARIFYING, CONFORMING, AND TECHNICAL CHANGES.

Whereas, North Carolina has experienced severe problems from widespread flooding during the past five years; and

Whereas, large areas of the State have also experienced severe drought conditions during the past five years; and

Whereas, groundwater is the source of drinking water for approximately half the population of the State; and

Whereas, groundwater pollution is increasing due to contamination from a variety of sources; and

Whereas, depletion of certain large groundwater aquifers in the State has been documented in recent years; and

Whereas, protection and enhancement of water quality in the State's rivers and coastal estuaries is the declared public policy of the State; and

Whereas, North Carolina is home to many rare and endangered species of plants and animals; and

Whereas, the State has established many parks, natural areas, and wildlife refuges to protect habitats for migrating birds and other species; and

Whereas, many fragile ecosystems exist in the State which are in need of further study and protection; and

Whereas, the State recognizes that ecosystems transcend state borders, and that changes affecting the State's water, air, natural habitats, and scenic resources also have impacts outside the State; and

Whereas, it is the policy of the State to ensure the continued public enjoyment of the natural attractions of the State; and

Whereas, improperly sited, designed, or operated landfills have the potential to cause serious environmental damage, including groundwater contamination; and

Whereas, it is essential that the State study the siting, design, and operational requirements for landfills for the disposal of solid waste in areas susceptible to flooding from natural disasters, areas with high water tables, and other environmentally sensitive areas in order to protect public health and the environment; and

Whereas, it is critical to the protection of public health and the environment to adequately staff the State solid waste program to review permit applications, ensure

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compliance with State solid waste management laws and rules, and provide technical assistance on solid waste management issues; and

Whereas, it is the policy of the State to promote methods of solid waste management that are alternatives to disposal in landfills; and

Whereas, S.L. 2006-244 directed the Environmental Review Commission, with the assistance of the Division of Waste Management of the Department of Environment, to study issues related to solid waste; and

Whereas, the Environmental Review Commission met at least six times after the 2006 legislative session to discuss items related to solid waste; and

Whereas, bills have been introduced in the House of Representatives and the Senate during the 2007 Regular Session to address issues related to landfills and management of solid waste that have been the subject of intense discussion by members of the General Assembly and a stakeholder working group;

Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 130A-294, as amended by S.L. 2007-107, reads as rewritten:

"§ 130A-294. Solid waste management program.

- The Department is authorized and directed to engage in research, conduct investigations and surveys, make inspections and establish a statewide solid waste management program. In establishing a program, the Department shall have authority to:
 - (1) Develop a comprehensive program for implementation of safe and sanitary practices for management of solid waste;
 - (2) Advise, consult, cooperate and contract with other State agencies, units of local government, the federal government, industries and individuals in the formulation and carrying out of a solid waste management program;
 - Develop and adopt rules to establish standards for qualification as a (3) "recycling, reduction or resource recovering facility" or as "recycling, reduction or resource recovering equipment" for the purpose of special tax classifications or treatment, and to certify as qualifying those applicants which meet the established standards. The standards shall be developed to qualify only those facilities and equipment exclusively used in the actual waste recycling, reduction or resource recovering process and shall exclude any incidental or supportive facilities and equipment;
 - **(4)** Develop a permit system governing the establishment and operation of solid waste management facilities. A landfill with a disposal area of 1/2 acre or less for the on-site disposal of land clearing and inert debris is exempt from the permit requirement of this section and shall be governed by G.S. 130A-301.1. The Department shall not approve an application for a new permit, the renewal of a permit, or a substantial amendment to a permit

for a sanitary landfill, excluding demolition landfills as defined in the rules of the Commission, except as provided in subdivisions (3) and (4) of subsection (b1) of this section. No permit shall be granted for a solid waste management facility having discharges that are point sources until the Department has referred the complete plans and specifications to the Environmental Management Commission and has received advice in writing that the plans and specifications are approved in accordance with the provisions of G.S. 143-215.1. If the applicant is a unit of local government, and has not submitted a solid waste management plan that has been approved by the Department pursuant to G.S. 130A-309.09A(b), the Department may deny a permit for a sanitary landfill or a facility that disposes of solid waste by incineration, unless the Commission has not adopted rules pursuant to G.S. 130A-309.29 for local solid waste management plans. In any case where the Department denies a permit for a solid waste management facility, it shall state in writing the reason for denial and shall also state its estimate of the changes in the applicant's proposed activities or plans that will be required for the applicant to obtain a permit.

- b. The issuance of permits for sanitary landfills operated by local governments is exempt from the environmental impact statements required by Article 1 of Chapter 113A of the General Statutes, entitled the North Carolina Environmental Policy Act of 1971. All sanitary landfill permits issued to local governments prior to July 1, 1984, are hereby validated notwithstanding any failure to provide environmental impact statements pursuant to the North Carolina Environmental Policy Act of 1971;
- c. The Department shall deny an application for a permit for a solid waste management facility if the Department finds that:
 - 1. Construction or operation of the proposed facility would be inconsistent with or violate rules adopted by the Commission.
 - 2. Construction or operation of the proposed facility would result in a violation of water quality standards adopted by the Environmental Management Commission pursuant to G.S. 143-214.1 for waters, as defined in G.S. 143-213.
 - 3. Construction or operation of the facility would result in significant damage to ecological systems, natural resources, cultural sites, recreation areas, or historic sites of more than local significance. These areas include, but

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1			are not limited to, national or State parks or forests;
2			wilderness areas; historic sites; recreation areas;
3			segments of the natural and scenic rivers system; wildlife
4			refuges, preserves and management areas; areas that
5			provide habitat for threatened or endangered species;
6			primary nursery areas and critical fisheries habitat
7			designated by the Marine Fisheries Commission; and
8			Outstanding Resource Waters designated by the
9			Environmental Management Commission.
10		<u>4.</u>	Construction or operation of the proposed facility would
11			substantially limit or threaten access to or use of public
12			trust waters or public lands.
13		<u>5.</u>	The proposed facility would be located in a natural
14			hazard area, including a floodplain, a landslide hazard
15			area, or an area subject to storm surge or excessive
16			seismic activity, such that the facility will present a risk
17			to public health or safety.
18		<u>6.</u>	There is a practical alternative that would accomplish the
19			purposes of the proposed facility with less adverse
20			impact on public resources, considering engineering
21			requirements and economic costs.
22		<u>7.</u>	The cumulative impacts of the proposed facility and
23			other facilities in the area of the proposed facility would
24			violate the criteria set forth in sub-sub-subdivisions 2.
25			through 5. of this sub-subdivision.
26		<u>8.</u>	Construction or operation of the proposed facility would
27			be inconsistent with the State solid waste management
28			policy and goals as set out in G.S. 130A-309.04 and with
29			the State solid waste management plan developed as
30			provided in G.S. 130A-309.07.
31		<u>9.</u>	The cumulative impact of the proposed facility, when
32			considered in relation to other similar impacts of
33			facilities located or proposed in the community, would
34			have a disproportionate adverse impact on a minority or
35			low-income community protected by Title VI of the
36			federal Civil Rights Act of 1964.
37	(4a)	_	hall be granted for any public or private sanitary landfill to
38			I non-radioactive waste generated outside the boundaries
39			rolina to be deposited, unless such waste has previously
40		_	ed by the solid waste regulatory agency of that nation,
41			tory, characterized in detail as to its contents and certified
42			ency to be non-injurious to health and safety. The
43			shall adopt rules to implement this subsection.
44	(5)	Repealed by	Session Laws 1983, c. 795, s. 3.

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- (5a) Designate a geographic area within which the collection, transportation, storage and disposal of all solid waste generated within said area shall be accomplished in accordance with a solid waste management plan. Such designation may be made only after the Department has received a request from the unit or units of local government having jurisdiction within said geographic area that such designation be made and after receipt by the Department of a solid waste management plan which shall include:
 - a. The existing and projected population for such area;
 - b. The quantities of solid waste generated and estimated to be generated in such area;
 - c. The availability of sanitary landfill sites and the environmental impact of continued landfill of solid waste on surface and subsurface waters;
 - d. The method of solid waste disposal to be utilized and the energy or material which shall be recovered from the waste; and
 - e. Such other data that the Department may reasonably require.
- (5b)Authorize units of local government to require by ordinance, that all solid waste generated within the designated geographic area that is placed in the waste stream for disposal be collected, transported, stored and disposed of at a permitted solid waste management facility or facilities serving such area. The provisions of such ordinance shall not be construed to prohibit the source separation of materials from solid waste prior to collection of such solid waste for disposal, or prohibit collectors of solid waste from recycling materials or limit access to such materials as an incident to collection of such solid waste; provided such prohibitions do not authorize the construction and operation of a resource recovery facility unless specifically permitted pursuant to an approved solid waste management plan. If a private solid waste landfill shall be substantially affected by such ordinance then the unit of local government adopting the ordinance shall be required to give the operator of the affected landfill at least two years written notice prior to the effective date of the proposed ordinance.
- (5c) Except for the authority to designate a geographic area to be serviced by a solid waste management facility, delegate authority and responsibility to units of local government to perform all or a portion of a solid waste management program within the jurisdictional area of the unit of local government; provided that no authority over or control of the operations or properties of one local government shall be delegated to any other local government.
- (5d) Require that an annual report of the implementation of the solid waste management plan within the designated geographic area be filed with the Department.

- (6) The Department is authorized to charge Charge and collect fees from operators of hazardous waste disposal facilities. The fees shall be used to establish a fund sufficient for each individual facility to defray the anticipated costs to the State for monitoring and care of the facility after the termination of the period during which the facility operator is required by applicable State and federal statutes, regulations or rules to remain responsible for post-closure monitoring and care. In establishing the fees, consideration shall be given to the size of the facility, the nature of the hazardous waste and the projected life of the facility.
- (7) Establish and collect annual fees from generators and transporters of hazardous waste, and from storage, treatment, and disposal facilities regulated under this Article as provided in G.S. 130A-294.1.
- (a1) A permit for a solid waste management facility may be transferred only with the approval of the Department.
- (b) The Commission shall adopt and the Department shall enforce rules to implement a comprehensive statewide solid waste management program. The rules shall be consistent with applicable State and federal law; and shall be designed to protect the public health, safety, and welfare; preserve the environment; and provide for the greatest possible conservation of cultural and natural resources. Rules for the establishment, location, operation, maintenance, use, discontinuance, recordation, post-closure care of solid waste management facilities also shall be based upon recognized public health practices and procedures, including applicable epidemiological research and studies; hydrogeological research and studies; sanitary engineering research and studies; and current technological development in equipment and methods. The rules shall not apply to the management of solid waste that is generated by an individual or individual family or household unit on the individual's property and is disposed of on the individual's property.
- (b0) The Commission shall adopt rules for financial responsibility to ensure the availability of sufficient funds for closure and post closure maintenance and monitoring at solid waste management facilities, and for any corrective action the Department may require during the active life of a facility or during the closure and post closure periods. The rules may permit demonstration of financial responsibility through the use of a letter of credit, insurance, surety, trust agreement, financial test, or guarantee by corporate parents or third parties who can pass the financial test. The rules shall require that an owner or operator of a privately owned solid waste management facility demonstrate financial responsibility by a method or combinations of methods that will ensure that sufficient funds for closure, post closure maintenance and monitoring, and any corrective action that the Department may require will be available during the active life of the facility, at closure, and for a period of not less than 30 years after closure even if the owner or operator becomes insolvent or ceases to reside, be incorporated, do business, or maintain assets in the State.
 - (b1) (1) For purposes of this subsection and subdivision (4) of subsection (a) of this section, a "substantial amendment" means either:

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- a. An increase of ten percent (10%) or more in:
 - 1. The population of the geographic area to be served by the sanitary landfill;
 - 2. The quantity of solid waste to be disposed of in the sanitary landfill; or
 - 3. The geographic area to be served by the sanitary landfill.
- b. A change in the categories of solid waste to be disposed of in the sanitary landfill or any other change to the application for a permit or to the permit for a sanitary landfill that the Commission or the Department determines to be substantial.
- (2) A person who intends to apply for a new permit, the renewal of a permit, or a substantial amendment to a permit for a sanitary landfill shall obtain, prior to applying for a permit, a franchise for the operation of the sanitary landfill from each local government having jurisdiction over any part of the land on which the sanitary landfill and its appurtenances are located or to be located. A local government may adopt a franchise ordinance under G.S. 153A-136 or G.S. 160A-319. A franchise granted for a sanitary landfill shall include all of the following:
 - a. A statement of the population to be served, including a description of the geographic area.
 - b. A description of the volume and characteristics of the waste stream.
 - c. A projection of the useful life of the sanitary landfill.
 - d. An explanation of how the franchise will be consistent with the jurisdiction's solid waste management plan required under G.S. 130A-309.09A, including provisions for waste reduction, reuse, and recycling.
 - e. The procedures to be followed for governmental oversight and regulation of the fees and rates to be charged by facilities subject to the franchise for waste generated in the jurisdiction of the franchising entity.
 - f. A facility plan for the sanitary landfill that shall include the exact boundaries of the proposed facility. proposed development of the facility site in five-year operational phases, the boundaries of all waste disposal units, final elevations and capacity of all waste disposal units, the amount of waste to be received per day in tons, the total waste disposal capacity of the sanitary landfill in tons, a description of environmental controls, and a description of any other waste management activities to be conducted at the facility. In addition, the facility plan shall show the proposed location of soil borrow areas, leachate facilities, and all other facilities and infrastructure, including ingress and egress to the facility.

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- (2a) A local government may elect to award a preliminary franchise. If a local government elects to award a preliminary franchise, the preliminary franchise shall contain, at a minimum, all of the information described in sub-subdivisions a. through e. of subdivision (2) of this subsection plus a general description of the proposed sanitary landfill, including the approximate number of acres required for the proposed sanitary landfill and its appurtenances and a description of any other solid waste management activities that are to be conducted at the site.
- (3) Prior to the award of a franchise for the construction or operation of a sanitary landfill, the board of commissioners of the county or counties in which the sanitary landfill is proposed to be located or is located or, if the sanitary landfill is proposed to be located or is located in a city, the governing board of the city shall conduct a public hearing. The board of commissioners of the county or counties in which the sanitary landfill is proposed to be located or is located or, if the sanitary landfill is proposed to be located or is located in a city, the governing board of the city shall provide at least 30 days' notice to the public of the public hearing. The notice shall include a summary of all the information required to be included in the franchise, and shall specify the procedure to be followed at the public hearing. The applicant for the franchise shall provide a copy of the application for the franchise that includes all of the information required to be included in the franchise, to the public library closest to the proposed sanitary landfill site to be made available for inspection and copying by the public.
- An applicant for a new permit, the renewal of a permit, or a substantial (4) amendment to a permit for a sanitary landfill shall request each local government having jurisdiction over any part of the land on which the sanitary landfill and its appurtenances are located or to be located to issue a determination as to whether the local government has in effect a franchise, zoning, subdivision, or land-use planning ordinance applicable to the sanitary landfill and whether the proposed sanitary landfill, or the existing sanitary landfill as it would be operated under the renewed or substantially amended permit, would be consistent with the applicable ordinances. The request to the local government shall be accompanied by a copy of the permit application and shall be delivered to the clerk of the local government personally or by certified mail. In order to serve as a basis for a determination that an application for a new permit, the renewal of a permit, or a substantial amendment to a permit for a sanitary landfill is consistent with a zoning, subdivision, or land-use planning ordinance, an ordinance or zoning classification applicable to the real property designated in the permit application shall have been in effect not less than 90 days prior to the date the request for a determination of consistency is delivered to the clerk of

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the local government. The determination shall be verified or supported by affidavit signed by the chief administrative officer, the chief administrative officer's designee, clerk, or other official designated by the local government to make the determination and, if the local government states that the sanitary landfill as it would be operated under the new, renewed, or substantially amended permit is inconsistent with a franchise, zoning, subdivision, or land-use planning ordinance, shall include a copy of the ordinance and the specific reasons for the determination of inconsistency. A copy of the determination shall be provided to the applicant when the determination is submitted to the Department. The Department shall not act upon an application for a permit under this section until it has received a determination from each local government requested to make a determination by the applicant; provided that if a local government fails to submit a determination to the Department as provided by this subsection within 15 days after receipt of the request, the Department shall proceed to consider the permit application without regard to a franchise, local zoning, subdivision, and land-use planning ordinances. Unless the local government makes a subsequent determination of consistency with all ordinances cited in the determination or the sanitary landfill as it would be operated under the new, renewed, or substantially amended permit is determined by a court of competent jurisdiction to be consistent with the cited ordinances, the Department shall attach as a condition of the permit a requirement that the applicant, prior to construction or operation of the sanitary landfill under the permit, comply with all lawfully adopted local ordinances cited in the determination that apply to the sanitary landfill. This subsection shall not be construed to affect the validity of any lawfully adopted franchise, local zoning, subdivision, or land-use planning ordinance or to affect the responsibility of any person to comply with any lawfully adopted franchise, local zoning, subdivision, or land-use planning ordinance. This subsection shall not be construed to limit any opportunity a local government may have to comment on a permit application under any other law or rule. This subsection shall not apply to any facility with respect to which local ordinances are

(5) As used in this subdivision, "coal-fired generating unit" and "investor-owned public utility" have the same meaning as in G.S. 143-215.107D(a). Notwithstanding subdivisions (a)(4), (b1)(3), or (b1)(4) of this section, no franchise shall be required for a sanitary landfill used only to dispose of waste generated by a coal-fired generating unit that is owned or operated by an investor-owned utility subject to the requirements of G.S. 143-215.107D.

subject to review under either G.S. 104E-6.2 or G.S. 130A-293.

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- The Department may shall require an applicant for a permit or a permit holder under this Article to satisfy the Department that the applicant or permit holder, and any parent, subsidiary, or other affiliate of the applicant, permit holder, or parent, including any joint venturer with a direct or indirect interest in the applicant, permit holder, or parent:
 - (1) Is financially qualified to carry out the activity for which the permit is required. An applicant for a permit and permit holders for solid waste management facilities that are not hazardous waste facilities shall establish financial responsibility required as by G.S. 130A-294(b0). G.S. 130A-295.2. An applicant for a permit and permit holders for hazardous waste facilities shall establish financial responsibility as required by G.S. 130A-295.04.
 - Has substantially complied with the requirements applicable to any (2) solid waste management activity in which the applicant applicant or permit holder, or a parent, subsidiary, or other affiliate of the applicant, permit holder, or parent, or a joint venturer with a direct or indirect interest in the applicant, has previously engaged and has been in substantial compliance with federal and state laws, regulations, and rules for the protection of the environment.environment as provided in G.S. 130A-295.3.
- An applicant for a permit or a permit holder under this Article shall satisfy the Department that the applicant has met the requirements of subsection (b2) of this section before the Department is required to otherwise review the application. In order to continue to hold a permit under this Article, a permittee must remain financially qualified and must provide any information requested by the Department to demonstrate that the permittee continues to be financially qualified."

SECTION 1.(b) This section becomes effective 1 August 2007 and applies to any application for a permit for a solid waste management facility that is pending on that date.

SECTION 2.(a) G.S. 130A-18 reads as rewritten: **"§ 130A-18. Injunction.**

- If a person shall violate any provision of this Chapter or Chapter, the rules adopted by the Commission or rules adopted by a local board of health, or a condition or term of a permit or order issued under this Chapter, the Secretary or a local health director may institute an action for injunctive relief, irrespective of all other remedies at law, in the superior court of the county where the violation occurred or where a defendant resides.
- The Secretary of Environment and Natural Resources and a local health director shall have the same rights enumerated in subsection (a) of this section to enforce the provisions of Part 4 of Article 5 and Articles 8, 9, 10, 11, and 12 of this Chapter."
- **SECTION 2.(b)** This section becomes effective 1 August 2007 and applies to violations that occur on or after that date.

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SECTION 3.(a) G.S. 130A-22(a) reads as rewritten:

The Secretary of Environment and Natural Resources may impose an administrative penalty on a person who violates Article 9 of this Chapter, rules adopted by the Commission pursuant to Article 9, or any term or condition of a permit or order issued under Article 9. Each day of a continuing violation shall constitute a separate violation. The penalty shall not exceed five thousand dollars (\$5,000) fifteen thousand dollars (\$15,000) per day in the case of a violation involving nonhazardous waste. The penalty shall not exceed twenty five thousand dollars (\$25,000) thirty-two thousand five hundred dollars (\$32,500) per day in the case of a first violation involving hazardous waste as defined in G.S. 130A-290 or involving the disposal of medical waste as defined in G.S. 130A-290 in or upon water in a manner that results in medical waste entering waters or lands of the State; and shall not exceed fifty thousand dollars (\$50,000) per day for a second or further violation involving the disposal of medical waste as defined in G.S. 130A-290 in or upon water in a manner that results in medical waste entering waters or lands of the State. The penalty shall not exceed twenty five thousand dollars (\$25,000) thirty-two thousand five hundred dollars (\$32,500) per day for a violation involving a voluntary remedial action implemented pursuant to G.S. 130A-310.9(c) or a violation of the rules adopted pursuant to G.S. 130A-310.12(b). If a person fails to pay a civil penalty within 60 days after the final agency decision or court order has been served on the violator, the Secretary of Environment and Natural Resources shall request the Attorney General to institute a civil action in the superior court of any county in which the violator resides or has his or its principal place of business to recover the amount of the assessment. Such civil actions must be filed within three years of the date the final agency decision or court order was served on the violator."

SECTION 3.(b) This section becomes effective 1 August 2007 and applies to violations that occur on or after that date.

SECTION 4.(a) G.S. 130A-22 is amended by adding a new subsection to read:

"(j) The Secretary of Environment and Natural Resources may also assess the reasonable costs of any investigation, inspection, or monitoring associated with the assessment of the civil penalty against any person who is assessed a civil penalty under this section."

SECTION 4.(b) This section becomes effective 1 August 2007 and applies to violations that occur on or after that date.

SECTION 5.(a) Part 2 of Article 9 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"§ 130A-295.2. Financial responsibility requirements for applicants and permit holders for solid waste management facilities.

- (a) As used in this section:
 - (1) 'Financial assurance' refers to the ability of an applicant or permit holder to pay the costs of assessment and remediation in the event of a release of pollutants from a facility, closure of the facility in

- 1 <u>accordance with all applicable requirements, and post-closure</u> 2 monitoring and maintenance of the facility.
 - (2) 'Financial qualification' refers to the ability of an applicant or permit holder to pay the costs of proper design, construction, operation, and maintenance of the facility.
 - (3) <u>'Financial responsibility' encompasses both financial assurance and financial qualification.</u>
 - (b) The Commission may adopt rules governing financial responsibility requirements for applicants for permits and for permit holders to ensure the availability of sufficient funds for the proper design, construction, operation, maintenance, closure, and post-closure monitoring and maintenance of solid waste management facilities and for any corrective action the Department may require during the active life of a facility or during the closure and post-closure periods.
 - (c) The Department may provide a copy of any filing that an applicant for a permit or a permit or a permit holder submits to the Department to meet the financial responsibility requirements under this section to the State Treasurer. The State Treasurer shall review the filing and provide the Department with a written opinion as to the adequacy of the filing to meet the purposes of this section, including any recommended changes.
 - (d) The Department may, in its sole discretion, require an applicant for a permit to construct a facility to demonstrate its financial qualification for the design, construction, operation, and maintenance of a facility. The Department may require an applicant for a permit for a solid waste management facility to provide cost estimates for site investigation; land acquisition, including financing terms and land ownership; design; construction of each five-year phase, if applicable; operation; maintenance; closure, and post-closure monitoring and maintenance of the facility to the Department. The Department may allow an applicant to demonstrate its financial qualifications for only the first five-year phase of the facility. If the Department allows an applicant for a permit to demonstrate its financial qualification for only the first five-year phase of the facility, the Department shall require the applicant or permit holder to demonstrate its financial qualification for each successive five-year phase of the facility when applying for a permit to construct each successive phase of the facility.
 - (e) If the Department requires an applicant for a permit or a permit holder for a solid waste management facility to demonstrate its financial qualification, the applicant or permit holder shall provide an audited, certified financial statement. An applicant who is required to demonstrate its financial qualification may do so through a combination of cash deposits, insurance, and binding loan commitments from a financial institution licensed to do business in the State and rated AAA by Standard & Poor's, Moody's Investor Service, or Fitch, Inc. If assets of a parent, subsidiary, or other affiliate of the applicant or a permit holder, or a joint venturer with a direct or indirect interest in the applicant or permit holder, are proposed to be used to demonstrate financial qualification, then the party whose assets are to be used must be designated as a joint permittee with the applicant on the permit for the facility.
 - (f) The applicant and permit holder for a solid waste management facility shall establish financial assurance by a method or combination of methods that will ensure

- that sufficient funds for closure, post-closure maintenance and monitoring, and any corrective action that the Department may require will be available during the active life of the facility, at closure, and for any post-closure period of time that the Department may require even if the applicant or permit holder becomes insolvent or ceases to reside, be incorporated, do business, or maintain assets in the State. Rules adopted by the Commission may allow a business entity that is an applicant for a permit or a permit holder to establish financial assurance through insurance, irrevocable letters of credit, trusts, surety bonds, or any other financial device, or any combination of the foregoing shown to provide protection equivalent to the financial protection that would be provided by insurance if insurance were the only mechanism used. Assets used to meet the financial assurance requirements of this section shall be in a form that will allow the Department to readily access funds for the purposes set out in this section. Assets used to meet financial assurance requirements of this section shall not be accessible to the permit holder except as approved by the Department.
 - In order to continue to hold a permit under this Article, a permit holder must maintain financial responsibility and must provide any information requested by the Department to establish that the permit holder continues to maintain financial responsibility. A permit holder shall notify the Department of any significant change in the: (i) identity of any person or structure of the business entity that holds the permit for the facility; (ii) identity of any person or structure of the business entity that owns or operates the facility; or (iii) assets of the permit holder, owner, or operator of the facility. The permit holder shall notify the Department within 30 days of a significant change. A change shall be considered significant if it has the potential to affect the financial responsibility of the permit holder, owner, or operator, or if it would result in a change in the identity of the permit holder, owner, or operator for purposes of either financial responsibility or environmental compliance review. Based on its review of the changes, the Department may require the permit holder to reestablish financial responsibility and may modify or revoke a permit, or require issuance of a new permit.
 - (h) [Reserved for future codification purposes.]
 - (i) The Commission may adopt rules under which a unit of local government and a solid waste management authority created pursuant to Article 22 of Chapter 153A of the General Statutes may meet the financial responsibility requirements of this section by either a local government financial test or a capital reserve fund requirement."

SECTION 5.(b) G.S. 130A-309.27 reads as rewritten:

"§ 130A-309.27. Landfill escrow account. Joint and several liability.

- (a) As used in this section:
 - (1) "Owner or operator" means, in addition to the usual meanings of the term, any owner of record of any interest in land on which a landfill is or has been sited, and any person or corporation which business entity that owns a majority interest in any other corporation which is the owner or operator of a landfill.landfill, and any person designated as a joint permittee pursuant to G.S. 130A-295.2(e).
 - (2) "Proceeds" means all funds collected and received by the Department, including interest and penalties on delinquent fees.

- (b) Every owner or operator of a landfill is jointly and severally liable for the improper operation and closure of the landfill, as provided by law.
- (c) The owner or operator of a landfill shall establish a fee, or a surcharge on existing fees or other appropriate revenue-producing mechanism, to ensure the availability of financial resources for the proper closure of the landfill. However, the disposal of solid waste by persons on their own property is exempt from the provisions of this section.
 - (1) The revenue producing mechanism must produce revenue at a rate sufficient to generate funds to meet State and federal landfill closure requirements.
 - (2) The revenue shall be deposited in an interest-bearing escrow account to be held and administered by the owner or operator. The owner or operator shall file with the Department an annual audit of the account. The audit shall be conducted by a certified public accountant and shall be filed no later than 31 December of each year. Failure to collect or report this revenue, except as allowed in subsection (d), is a noncriminal violation, punishable by a fine of not more than five thousand dollars (\$5,000) for each offense. The owner or operator may make expenditures from the account and its accumulated interest only for the purpose of landfill closure and, if such expenditures do not deplete the fund to the detriment of eventual closure, for planning and construction of resource recovery or landfill facilities. Any moneys remaining in the account after paying for proper and complete closure, as determined by the Department, shall, if the owner or operator does not operate a landfill, be deposited by the owner or operator into the general fund of the unit of local government.
 - (3) The revenue generated under this subsection and any accumulated interest thereon may be applied to the payment of, or pledged as security for, the payment of revenue bonds issued in whole or in part for the purpose of complying with State and federal landfill closure requirements. The application or pledge may be made directly in the proceedings authorizing the bonds or in an agreement with an insurer of bonds to assure the insurer of this additional security.
- (d) An owner or operator may establish proof of financial responsibility with the Department in lieu of the requirements of subsection (c). This proof may include surety bonds, certificates of deposit, securities, letter of credit, corporate guarantee, or other documents showing that the owner or operator has sufficient financial resources to cover, at a minimum, the costs of complying with landfill closure requirements. The owner or operator shall estimate the costs to the satisfaction of the Department.
- (e) This section does not repeal, limit, or abrogate any other law authorizing units of local government to fix, levy, or charge rates, fees, or charges for the purpose of complying with State and federal landfill closure requirements.
 - (f) The Commission shall adopt rules to implement this section."

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SECTION 5.(c) This section becomes effective 1 August 2007 and applies to any application for a permit for a solid waste management facility that is pending on that date.

SECTION 6.(a) Part 2 of Article 9 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"§ 130A-295.3. Environmental compliance review requirements for applicants and permit holders.

- (a) For purposes of this section, "applicant" means an applicant for a permit and a permit holder and includes the owner or operator of the facility, and, if the owner or operator is a business entity, applicant also includes: (i) the parent, subsidiary, or other affiliate of the applicant; (ii) a partner, officer, director, member, or manager of the business entity, parent, subsidiary, or other affiliate of the applicant; and (iii) any person with a direct or indirect interest in the applicant, other than a minority shareholder of a publicly traded corporation who has no involvement in management or control of the corporation or any of its parents, subsidiaries, or affiliates.
- The Department shall conduct an environmental compliance review of each (b) applicant for a new permit, permit renewal, and permit amendment under this Article. The environmental compliance review shall evaluate the environmental compliance history of the applicant for a period of five years prior to the date of the application and may cover a longer period at the discretion of the Department. The environmental compliance review of an applicant may include consideration of the environmental compliance history of the parents, subsidiaries, or other affiliates of an applicant or parent that is a business entity, including any business entity or joint venturer with a direct or indirect interest in the applicant, and other facilities owned or operated by any of them. The Department shall determine the scope of the review of the environmental compliance history of the applicant, parents, subsidiaries, or other affiliates of the applicant or parent, including any business entity or joint venturer with a direct or indirect interest in the applicant, and of other facilities owned or operated by any of them. An applicant for a permit shall provide environmental compliance history information for each facility, business entity, joint venture, or other undertaking in which any of the persons listed in this subsection is or has been an owner, operator, officer, director, manager, member, or partner, or in which any of the persons listed in this subsection has had a direct or indirect interest as requested by the Department.
- (c) The Department shall determine the extent to which the applicant, or a parent, subsidiary, or other affiliate of the applicant or parent, or a joint venturer with a direct or indirect interest in the applicant, has substantially complied with the requirements applicable to any activity in which any of these entities previously engaged, and has substantially complied with federal and State laws, regulations, and rules for the protection of the environment. The Department may deny an application for a permit if the applicant has a history of significant or repeated violations of statutes, rules, orders, or permit terms or conditions for the protection of the environment or for the conservation of natural resources as evidenced by civil penalty assessments, administrative or judicial compliance orders, or criminal penalties.

A permit holder shall notify the Department of any significant change in its environmental compliance history or other information required by G.S. 130-295.2(g). The Department may reevaluate the environmental compliance history of a permit holder and may modify or revoke a permit or require issuance of a new permit."

SECTION 6.(b) G.S. 130A-309.06(b) is repealed.

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SECTION 6.(c) This section becomes effective 1 August 2007 and applies to any application for a permit for a solid waste management facility that is pending on that date.

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SECTION 7.(a) G.S. 130A-290(a) is amended by adding three new subdivisions to read:

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"(2a) "Coal-fired generating unit" means a coal-fired generating unit, as defined by 40 Code of Federal Regulations § 96.2 (1 July 2001 Edition), that is located in this State and has the capacity to generate 25 or more megawatts of electricity.

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"Combustion products" means residuals, including fly ash, bottom ash, (2b) boiler slag, mill rejects, and flue gas desulfurization residue produced by a coal-fired generating unit.

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"Combustion products landfill" means a facility or unit for the disposal (2c) of combustion products, where the landfill is located at the same facility with the coal-fired generating unit or units producing the combustion products, and where the landfill is located wholly or partly on top of a facility that is, or was, being used for the disposal or storage of such combustion products, including, but not limited to, landfills, wet and dry ash ponds, and structural fill facilities."

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SECTION 7.(b) Part 2 of Article 9 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"§ 130A-295.4. Combustion products landfills.

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The definitions set out in G.S. 130A-290(a) apply to this section. (a) The Department may permit a combustion products landfill to be constructed (b)

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partially or entirely within areas that have been formerly used for the storage or disposal of combustion products at the same facility as the coal-fired generating unit that generates the combustion products, provided the landfill is constructed with a bottom liner system consisting of three components in accordance with this section. Of the required three components, the upper two components shall consist of two separate flexible membrane liners, with a leak detection system between the two liners. The third component shall consist of a minimum of two feet of soil underneath the bottom of those liners, with the soil having a maximum permeability of 1 x 10-7 centimeters per second. The flexible membrane liners shall have a minimum thickness of thirty one-thousandths of an inch (0.030"), except that liners consisting of high-density polyethylene shall be at least sixty one-thousandths of an inch (0.060") thick. The lower flexible membrane liner shall be installed in direct and uniform contact with the

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compacted soil layer. The Department may approve an alternative to the soil component

of the composite liner system if the Department finds, based on modeling, that the 43 44

alternative liner system will provide an equivalent or greater degree of impermeability.

- (c) An applicant for a permit for a combustion products landfill shall develop and provide to the Department a response plan, which shall describe the circumstances under which corrective measures are to be taken at the landfill in the event of the detection of leaks in the leak detection system between the upper two liner components at amounts exceeding an amount specified in the response plan (as expressed in average gallons per day per acre of landfill, defined as an Action Leakage Rate). The response plan shall also describe the remedial actions that the landfill is required to undertake in response to detection of leakage in amounts in excess of the Action Leakage Rate. The Department shall review the response plan as a part of the permit application for the landfill. Compliance with performance of the landfill to prevent releases of waste to the environment may be determined based on leakage rate rather than monitoring well data."
- **SECTION 7.(c)** G.S. 130A-295.5, 130A-295.6, and 130A-295.7 are reserved for future codification purposes.

SECTION 7.(d) This section becomes effective 1 August 2007. Any permit issued for a combustion products landfill as described in this section shall, for purposes of this bill, be considered to have been permitted on property described in a solid waste management facility permit that is in effect on 1 August 2007.

SECTION 8. [Reserved.] SECTION 9. [Reserved.]

SECTION 10.(a) G.S. 153A-136 is amended by adding two new subsections to read:

- "(e) A county that has planning jurisdiction over any portion of the site of a sanitary landfill may employ a local government landfill liaison. No person who is responsible for any aspect of the management or operation of the landfill may serve as a local government landfill liaison. A local government landfill liaison shall have a right to enter public or private lands on which the landfill facility is located at reasonable times to inspect the landfill operation in order to:
 - (1) Ensure that the facility meets all local requirements.
 - (2) <u>Identify and notify the Department of suspected violations of applicable federal or State laws, regulations, or rules.</u>
 - (3) <u>Identify and notify the Department of potentially hazardous conditions at the facility.</u>
- (f) Entry pursuant to subsection (e) of this section shall not constitute a trespass or taking of property."

SECTION 10.(b) Chapter 160A of the General Statutes is amended by adding a new section to read:

"§ 160A-325. Local government landfill liaison.

(a) A city that has planning jurisdiction over any portion of the site of a sanitary landfill may employ a local government landfill liaison. No person who is responsible for any aspect of the management or operation of the landfill may serve as a local government landfill liaison. A local government landfill liaison shall have a right to enter public or private lands on which the landfill facility is located at reasonable times to inspect the landfill operation in order to:

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3 applicable federal or State laws, regulations, or rules. 4 Identify and notify the Department of potentially hazardous conditions (3) 5 at the facility. 6 (b) Entry pursuant to this section shall not constitute a trespass or taking of 7 property." 8 **SECTION 10.(c)** This section becomes effective 1 August 2007. 9 **SECTION 11.(a)** G.S. 130A-290(a), as amended by S.L. 2007-107, is 10 amended by renumbering subdivision (1a) as (1b), renumbering subdivision (1b) as 11 (1c), renumbering subdivision (1c) as (1d), and by adding a new subdivision to read: 12 "(1a) 'Business entity' has the same meaning as in G.S. 55-1-40(2a)." 13 **SECTION 11.(b)** G.S. 130A-290(a), as amended by S.L. 2007-107, is 14 amended by renumbering subdivision (21a) as (21b) and by adding a new subdivision to 15 read: 16 "(21a) 'Pre-1983 landfill' means any land area, whether publicly or privately 17 owned, on which municipal solid waste disposal occurred prior to 1 18 January 1983 but not thereafter, but does not include any landfill used 19 primarily for the disposal of industrial solid waste." 20 **SECTION 11.(c)** This section becomes effective 1 August 2007. 21 SECTION 12. [Reserved.] 22 **SECTION 13.** [Reserved.] 23 **SECTION 14.(a)** The Commission for Health Services shall review rules 24 governing the design, construction, operation, maintenance, closure, and post-closure 25 monitoring and maintenance of solid waste management facilities to determine whether 26 changes are required to protect public health, safety, welfare, and the environment; to 27 improve the performance of solid waste management facilities; to take advantage of 28 technological advances in landfill design, construction, operation, maintenance, and 29 closure; and to provide additional protection to environmentally sensitive areas of the 30 State. The Commission shall adopt rules necessary to minimize impacts from solid 31 waste management facilities on public health, safety, welfare, and the environment. 32 These rules shall: 33 Establish standards for the collection, control, and utilization or (1) 34 destruction of landfill gasses at municipal solid waste landfills. 35 (2) Establish standards for the design, construction, 36 maintenance, closure, and post-closure monitoring and maintenance of 37 bioreactor landfills. 38 Establish criteria for development of bird and wildlife management (3) 39 40 (4) Incorporate measures necessary to minimize impacts to natural, 41 historic, and cultural resources, including, but not limited to, wetlands, 42 critical fisheries habitat, parks, recreation areas, cultural and historic 43 sites, and potential water supplies. 44 **SECTION 14.(b)** This section is effective when it becomes law. Senate Bill 1492-Fifth Edition Page 19

Ensure that the facility meets all local requirements.

Identify and notify the Department of suspected violations of

1	SECTION 15.(a) G.S. 130A-295.01(g), as enacted by Section 1.7 of S.L.
2	2007-107, is recodified as G.S. 130A-295.01(c).
3	SECTION 15.(b) G.S. 130A-295.01(c), as enacted by Section 1.3 of S.L.
4	2007-107, is recodified as G.S. 130A-295.01(d).
5	SECTION 15.(c) Subsections (d), (e), (f), and (g) of G.S. 130A-295.01, as
6	enacted by Section 1.4 of S.L. 2007-107, read as rewritten:
7	" (d) (e)
8	(1) Within 10 days of filing an application for a permit for a commercial
9	hazardous waste facility, the applicant shall notify every person who
10	resides or owns property located within one-fourth mile of any
11	property boundary of the facility that the application has been filed.
12	The notice shall be by mail to residents and by certified mail to
13	property owners, or by any other means approved by the Department,
14	shall be in a form approved by the Department, and shall include all of
15	the following:
16	(1)a. The location of the facility.
17	(2)b. A description of the facility.
18	(3)c. The hazardous and nonhazardous wastes that are to be received
19	and processed at the facility.
20	(4)d. A description of the emergency response plan for the facility.
21	(e)(2) The permit holder for a commercial hazardous waste facility shall
22	publish a notice that includes the information set out in subsection
23	(d)subdivision (1) of this section subsection annually beginning one
24 25	year after the permit is issued. The notice shall be published in a form
	and manner approved by the Department in a newspaper of general circulation in the community where the facility is located.
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28	(f)(3) The permit holder for a commercial hazardous waste facility shall provide the information set out in subdivisions (1) through (4)
29	subdivision (1) of this subsection (d) of this section by mail to the
30	persons described in <u>subdivision (1) of this</u> subsection (d) of this
31	section at the midpoint of the period for which the permit is issued.
32	(g)(4) Each commercial hazardous waste facility applicant and permit holder
33	shall provide documentation to demonstrate to the Department that the
34	requirements set out in subsections (d) through (f) of this section
35	subdivisions (1), (2), and (3) of this subsection have been met."
36	SECTION 15.(d) G.S. 130A-295.01(e), as enacted by Section 1.5 of S.L.
37	2007-107, is recodified as G.S. 130A-295.01(f).
38	SECTION 15.(e) G.S. 130A-295.01(f), as enacted by Section 1.6 of S.L.
39	2007-107, is recodified as G.S. 130A-295.01(g).
40	SECTION 15.(f) Subdivisions (6) and (7) of subsection (f) of Section 4.1 of
41	S.L. 2007-107 read as rewritten:
42	"(6) Review the sprinkler requirements for Hazardous Materials Facilities
12	(Section 903.2.4) under Section 903.2.4 of the State Ruilding Code for

facilities used to collect, store, process, treat, recycle, recover, or

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dispose of hazardous substance, as defined in 29 Code of Federal Regulations § 1910.120(a)(3) (1 July 2006 Edition), and determine whether sprinkler design criteria and coverage should be amended.

Review the fire alarm requirements for Hazardous Materials Facilities (Section 907.2.5) under Section 903.2.4 of the State Building Code and determine whether the relevant facilities used to collect, store, process, treat, recycle, recover, or dispose of hazardous substance, as defined in 29 Code of Federal Regulations § 1910.120(a)(3) (1 July 2006 Edition), should have a full fire alarm system or, in the alternative, full staffing as recommended by the Department of Environment and Natural Resources. If the Task Force determines that relevant facilities should have full staffing, the Task Force shall recommend the level of knowledge and training that should be required of the staff."

SECTION 16. The Division of Waste Management and the Division of Pollution Prevention and Environmental Assistance of the Department of Environment and Natural Resources shall jointly develop a proposal for a recycling program for fluorescent lamps. The program will be developed so as to ensure that substantially all of the mercury contained in fluorescent lamps will be recovered so as to facilitate a phaseout of incandescent lamps without damage to public health and the environment from the increased use of mercury lamps as replacements for fluorescent lamps. The Department of Environment and Natural Resources shall report its findings and recommendations, including legislative proposals and cost estimates, to the Environmental Review Commission on or before 1 March 2008.

SECTION 17. The Environmental Review Commission shall study issues related to the franchise of solid waste management facilities by units of local government and siting and technical standards for solid waste management facilities. The Environmental Review Commission, with the assistance of the Department of Justice, shall study issues related to the transportation of solid waste by rail or barge, including the extent to which regulation of the transportation of solid waste by rail or barge by state governments may be preempted by federal law. The Environmental Review Commission shall report its findings and recommendations, including any legislative proposals, to the 2008 Regular Session of the General Assembly.

SECTION 18. If any section or provision of this act is declared unconstitutional or invalid by the courts, the unconstitutional or invalid section or provision does not affect the validity of this act as a whole or any part of this act other than the part declared to be unconstitutional or invalid.

SECTION 19. Except as otherwise provided in this act, this act is effective when it becomes law.