Last week, the legislature discussed numerous regulatory reform provisions with H255: Building Code Reg. Reform passing its final chamber and being sent to the Governor and H765: Regulatory Reform Act of 2015 being changed drastically in the Senate, where it went from its original one-page environmental technical corrections form to a 54-page regulatory reform package which now includes the controversial piping provision you heard a lot about at the summer conference. Surprising even the Department of Environment and Natural Resources (DENR), among many legislators in both the House and Senate, the bill passed the Senate and is back before the House. It is not expected to be approved by the House and we expect a conference committee to be appointed to negotiate the package.

The Governor signed a PACE financing extension into law via S284 Infrastructure Assessments/Extend Sunset into law on June 30th. PACE financing (Property Assessed Clean Energy) is an important policy tool to further the deployment of energy efficiency and renewable energy in North Carolina. It allows property owners to borrow money to pay for energy improvements that is repaid via a special assessment on the property in order to finance the installation of "distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to residential, commercial, industrial or other real property."

Counties and cities that choose to adopt such programs may finance them by revenue bonds, general obligation bonds, general revenues or private sector funds. North Carolina had already authorized local governments to establish such programs, but the authorization expired July 1, 2015. S284 extends the sunset to July 1, 2020 and reduces the number of annual installments on the assessments from 30 to 25 years.

With the June 30th deadline the Governor was pushing to pass his Connect NC bond proposals behind us, we are unsure of its fate. While it appears unlikely at this time that the bonds will appear on the November 2015 ballot, we have determined that it is, technically, still possible. Whether the General Assembly will approve such measures in any form is quite unknown at this point. The Governor continues to promote his Connect NC bond proposal, however, so the effort is still alive.

With the previous budget expiring June 30th and no full two-year budget agreement in place, the legislature agreed on a Continuing Resolution to extend the current budget levels for 45 days, expiring on August 14, 2015. We are hopeful that by then an agreement on the new budget will be passed and shortly thereafter the legislature is expected to adjourn until the short session begins in May. There will still be legislative activity in the form of committee meetings and study committees, but the interim will provide members time home in their districts and working in their "regular" jobs and lives.

Both the House and Senate have taken an official break for the week and no legislative activity is occurring. Members will return to Raleigh on Monday, July 13th.

An overview of some relevant bills with action last week:
**H255: Building Code Reg. Reform**  
Passed the House in April  
Modified version passed the Senate on 6/25  
House passed the Senate’s version on 7/1

**H705: Amend Septic Tank Requirements**  
Passed the House in April  
Modified version passed the Senate on 6/25  
House passed the Senate’s version 7/2

**H634: Stormwater/Built-Upon Area Clarification**  
Passed the House in April  
Modified version passed the Senate on 6/25  
House passed the Senate’s version 7/2

**H356: NCUC Reg. Fee Changes**  
Passed the House in April  
Passed the Senate on 6/25  
Signed by the Governor on 6/30

**H765: Regulatory Reform Act of 2015**  
Passed the House in April  
Modified version passed the Senate on 7/2  
The House must now either vote to concur or not. If not, negotiations begin.

In Case You Missed It...

The Resource Stewardship Action Group worked on an opinion piece that was submitted to, and published in the News & Observer on June 29th in response to a June 19th N&O article: [NC Senate plan could expand SolarBee program](#). You can read the Letter to the Editor here: [J. Ray Cox: No data supporting SolarBees](#).

The Building Infrastructure and Sustainability Action Group held a conference call on Tuesday, June 30th. The next call is scheduled for Tuesday, August 18th at 4pm. If you’re interested in participating in the action group, please contact Sean Gleason at sgleason@colejeneststone.com.

[News and Observer: DENR opposes bill that would overhaul NC environmental regulations](#)  
[WRAL: State regulators critical of environmental overhaul bill](#)

Update: DENR later supported the bill after working with Senators to amend parts of the bill.

--

Laurie Onorio  
919-412-9371  
ljo@laurieonorio.com  
www.laurieonorio.com