

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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**SENATE BILL 1862*
Finance Committee Substitute Adopted 6/15/06
House Committee Substitute Favorable 7/6/06**

Short Title: Limit Nutrient Offset Payments.

(Public)

Sponsors:

Referred to:

May 25, 2006

A BILL TO BE ENTITLED

1 AN ACT TO TEMPORARILY: (1) SET THE PER POUND FACTOR USED BY THE
2 ENVIRONMENTAL MANAGEMENT COMMISSION TO CALCULATE
3 NUTRIENT OFFSET PAYMENTS FOR NITROGEN, (2) REQUIRE THAT
4 NUTRIENT OFFSET PAYMENTS BE CALCULATED AS THEY WERE PRIOR
5 TO CERTAIN RULE AMENDMENTS, AND (3) PROVIDE THAT THERE
6 SHALL BE NO NUTRIENT OFFSET PROGRAM FOR PHOSPHORUS AND TO
7 DIRECT THE ENVIRONMENTAL REVIEW COMMISSION TO STUDY
8 ISSUES RELATED TO THE NUTRIENT OFFSET PAYMENT PROGRAM.
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10 The General Assembly of North Carolina enacts:

11 **SECTION 1.** Notwithstanding the per pound factors for nutrient offset
12 payments established in 15A NCAC 2B. 0240, as adopted by the Environmental
13 Management Commission on 12 January 2006, the per pound factor for the nutrient
14 offset payment for nitrogen is established as eleven dollars (\$11.00) per pound of
15 nitrogen. The payment shall be calculated in accordance with the method used as of 1
16 January 2006 for determining pounds of nitrogen per acre.

17 **SECTION 2.** Notwithstanding 15A NCAC 2B. 0240, as adopted by the
18 Environmental Management Commission on 12 January 2006, there shall be no nutrient
19 offset program for phosphorus pursuant to that rule.

20 **SECTION 3.** Study. – The Environmental Review Commission, with the
21 assistance of the Division of Water Quality of the Department of Environment and
22 Natural Resources, shall study issues related to the nutrient offset payment program.
23 The Commission shall specifically study the costs associated with providing nutrient
24 controls that are adequate to offset point source and nonpoint source discharges of
25 nitrogen; whether nutrient offset payments should be authorized for additional nutrients,
26 including phosphorus; and whether the nutrient offset program should be expanded to
27 other areas of the State.

1 **SECTION 4.** Report. – The Environmental Review Commission shall report
2 its findings, together with any recommended legislation, to the 2007 General Assembly
3 upon its convening.

4 **SECTION 5.** The Division of Water Quality of the Department of
5 Environment and Natural Resources must refund any fee paid in excess of the amount
6 established under this act.

7 **SECTION 6.** This act becomes effective 1 August 2006, and applies to all
8 nutrient offset payments, including those set out in 15A NCAC 2B. 0240, as adopted by
9 the Environmental Management Commission on 12 January 2006. This act expires 1
10 September 2007.