

HOUSE BILL 926:

Regulatory Reform Act of 2025, Sec. 23: **Administrative Procedure Act Exemption for Rules to Modernize Wastewater Permitting**

S.L. 2025-94, Sec. 23 Analysis of:

October 6, 2025

Prepared by: Legislative Analysis

Division Staff

Section 23 of S.L. 2025-94 (House Bill 926) amends legislation enacted in 2024 that required the Department of Environmental Quality (Department) and the Environmental Management Commission (Commission) to develop rules that establish methodologies and permitting requirements for the discharge of treated domestic wastewaters with low risk following site specific criteria to surface waters of the State, including wetlands, perennial streams, and unnamed tributaries of named and classified streams and intermittent streams or drainage courses where the 7Q10 flow or 30Q2 flow of the receiving water is estimated to be low flow or zero flow, or under certain conditions non-existent, as determined by the United States Geological Survey. The changes include modifications made pursuant to feedback from the United States Environmental Protection Agency (USEPA) in response to draft rules previously submitted for the agency's consideration as follows:

- Modifies the 2024 legislation to provide that within 60 days of the date USEPA notifies the State that a rule must be formally adopted prior to submittal as a program revision for USEPA approval, the Commission must initiate the process for temporary and permanent rules pursuant to Chapter 150B of the General Statutes.
- Clarifies that:
 - o The Department may require an applicant to use different modeling than that submitted by an applicant upon issuing findings of fact that demonstrate that a model initially used by an applicant is unsuitable for the particular discharge and receiving water.
 - o All requirements of a National Pollution Discharge Elimination System (NPDES) permit must be met, including effluent limits for all parameters required to ensure the permit to be issued does not violate current State water quality standards approved by USEPA.

In addition, the section exempts these rules from certain requirements of the Administrative Procedure Act, including those requiring ratification by the General Assembly, or supermajority approval by a board or commission, that are applicable when a rule's aggregate financial cost exceeds certain thresholds.

This section is effective retroactive to July 8, 2024.

Legislative Analysis Division 919-733-2578

Kara McCraw Director