

It's a special Friday edition of the MountainTrue Raleigh Report. In this issue, a rundown of environmental provisions in the long-delayed state budget and a look ahead to the end of the session.

Budget Breakdown

Legislators finally announced a 400-page budget deal this week – 76 days after the beginning of the new fiscal year. The House and Senate carefully scheduled votes to beat the 9/18 deadline for the latest continuing resolution, and Governor McCrory has pledged to sign the bill.

Thank you to WNC's own Rep. Chuck McGrady for his willingness to listen to our concerns and to provide information to all of his constituents.

The budget provides continued funding for open space conservation. The Parks and Recreation Trust Fund will receive nearly \$39 million over the two years from direct funding and license plate sales. The Clean Water Management Trust Fund will also receive close to \$39 million over the two years with \$1 million of that targeted for military buffers.

Now for the bad...Unfortunately, there is more here. The budget allows the Renewable Energy Investment Tax Credit (REITC) to expire. That's bad news for the environment and for the economy: for every \$1 in tax credit allotted to our renewable energy industry, it has generated \$1.54 in new state and local revenue.

In other low-lights, the budget

- Earmarks \$500,000 for shale gas exploration (aka "fracking").
- Creates loopholes for repeat violators of the state's sediment and erosion control laws and reduces penalties for those who break those laws. Civil penalties could be capped at \$25,000 or waived entirely if there are no prior violations and the violator takes action to stop the damage within 180 days of being notified of a violation.
- Extends funding for the SolarBee project, a scientifically questionable experiment to remove algae from Jordan Lake, by \$1.5 million and delays the implementation of the Jordan Lake Rules for at least three more years.
- Cuts the state's Natural Heritage Program, which tracks rare animals, plants and habitats, by about 41 percent.
- Expands the use of jetties – also called terminal groins - on the state's coastline.

DENR No More

The budget is also the vehicle for some major changes at DENR. In a move originally proposed by Governor McCrory, the state's parks and aquariums will move to the new Department of Cultural and Natural Resources. The budget also requires that the new department raise fees for all state parks, aquariums and historic sites "to maximize revenue ... to the extent practicable to offset appropriations from the General Assembly."

The changes will transform DENR into a purely regulatory agency under the moniker of the Department of Environmental Quality. That transition is likely to make the agency an even bigger target for conservatives in the future.

Some programs already seem to be in danger. The budget mandates that several funds maintained by the department complete a "continuation review" — essentially justifying their budget and mission — before receiving continued funding.

Look Ahead

Legislators expect to be in session for another couple weeks, and there are still a number of bills that could move quickly or unexpectedly. Thursday the conference report for House Bill 44 was approved, which would change the regulation of riparian buffers. Another large regulatory reform bill – House Bill 765 – which contains a number of environmental provisions, is still eligible to move.

Stay tuned to our twitter feed for more info and the latest updates.