

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 302\*

Short Title: Well Construction Amendments.

(Public)

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Sponsors: Senator Speed.

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Referred to: Environment and Natural Resources.

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February 27, 1989

A BILL TO BE ENTITLED

1 AN ACT TO REQUIRE ADDITIONAL REPORTING TO LANDOWNERS  
2 CONCERNING WELL CONSTRUCTION AND TO AUTHORIZE A PROGRAM  
3 FOR THE CLOSURE OF ABANDONED WELLS.  
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5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 143-355(g) reads as rewritten:

7 "(g) Reports of Each Well Required.— Every person, firm or corporation engaged  
8 in the business of drilling, boring, coring, or constructing wells with power machinery  
9 within the State of North Carolina shall, within 30 days of the completion of each well,  
10 report to the Department of Natural Resources and Community Development on forms  
11 furnished by the Department the location, size, depth, number of feet of casing used,  
12 method of finishing, and formation log information of each such well. In addition such  
13 person, firm or corporation shall report any tests made of each such well including the  
14 method of testing, length of test, draw-down in feet and yield in gallons per minute.  
15 The person, firm or corporation making such report to the Department of Natural  
16 Resources and Community Development shall at the time such report is made also  
17 furnish a copy ~~thereof~~ of the report, a copy of the applicable State regulations and local  
18 ordinances governing well construction, and a well construction diagram to the owner  
19 of the property on which the well was constructed."

20 Sec. 2. G.S. 143-355(i) reads as rewritten:

21 "(i) Penalty for Violation. — Any person violating the provisions of subsections  
22 ~~(e), (e) or (f) and (g)~~ of G.S. 143-355 shall be guilty of a misdemeanor and, upon  
23 conviction, shall be punished by a fine of fifty dollars (\$50.00). Any person violating  
24 the provisions of subsection (g) of G.S. 143-355 shall be guilty of a misdemeanor and,

1 upon conviction, shall be punished by a fine of one hundred fifty dollars (\$150.00).  
2 Each violation shall constitute a separate offense."

3 Sec. 3. Chapter 87 of the General Statutes is amended by adding a new  
4 Article to read as follows:

5 **"ARTICLE 7A.**

6 **"ABANDONED WELL CLOSURE PROGRAM.**

7 **"§ 87-97.1. Findings; purpose.**

8 The General Assembly finds that abandoned wells that have not been properly  
9 closed are a threat to the safety of children and animals and serve as direct channels for  
10 the entrance of contaminants into our groundwater. The purpose of this Article is to  
11 establish a program for the closure of abandoned wells and to provide matching grants  
12 to local governments that adopt and implement the program in accordance with the  
13 provisions of this Article.

14 **"§ 87-97.2. Definitions.**

15 Unless the context requires otherwise, the following terms as used in this Article are  
16 defined as follows:

- 17 (1) The term 'abandoned well' means a well whose use has been  
18 permanently discontinued, or which is in such a state of disrepair that  
19 continued use for obtaining groundwater or other useful purpose is  
20 impracticable.
- 21 (2) The term 'Commission' means the Environmental Management  
22 Commission.
- 23 (3) The term 'Department' means the Department of Natural Resources  
24 and Community Development.
- 25 (4) The term 'water well contractor' means any person, firm, or  
26 corporation engaged in the business of constructing wells.
- 27 (5) The term 'well' means any excavation that is cored, bored, drilled,  
28 jettied, dug or otherwise constructed for the purpose of locating,  
29 testing, or withdrawing groundwater or for evaluating, testing,  
30 developing, draining, or recharging any groundwater reservoirs or  
31 aquifer, or that may control, divert, or otherwise cause the movement  
32 of water from or into any aquifer. Provided, however, this shall not  
33 include a well constructed by an individual on land which is owned or  
34 leased by him, appurtenant to a single-family dwelling, and intended  
35 for domestic use (including household purposes, farm livestock, or  
36 gardens).

37 **"§ 87-97.3. Abandoned Well Closure Grant Fund.**

38 There is hereby created the Abandoned Well Closure Grant Fund, to consist of  
39 groundwater resources fees levied pursuant to G.S. 87-97.4, funds appropriated by the  
40 General Assembly, and all other monies made available to the Grant Fund from  
41 whatever source for the purpose of designing, implementing, or operating abandoned  
42 well closure programs.

43 **"§ 87-97.4. Groundwater Resources Fee.**

1       (a) Amount.— A fee of twenty dollars (\$20.00) is hereby levied against a  
2 landowner for each well constructed on the landowner's property on or after October 1,  
3 1989.

4       (b) Exemption for Prior Contracts.— No fee shall be levied against a landowner  
5 who executed a written contract prior to October 1, 1989, for the construction of a well  
6 if the well is completed prior to November 15, 1989.

7       (c) Collection of Fees.— The fee levied pursuant to this section shall be collected  
8 by the water well contractor.

9       (d) Submission of Monies.— The water well contractor shall remit the fees  
10 collected pursuant to this section to the Department on a quarterly basis.

11 **"§ 87-97.5. Use of Funds.**

12       (a) Local Match Required.— A county or municipality may apply for a matching  
13 grant from the Abandoned Well Closure Grant Fund to implement an abandoned well  
14 closure program within its jurisdiction. The county or municipality must pledge to  
15 provide at least fifty percent (50%) of the costs of the proposed program. The time and  
16 services of a county or municipal employee expended in locating abandoned wells may  
17 count towards up to sixty-seven percent (67%) of the local share requirements of the  
18 program.

19       (b) Administrative Costs.— A county or municipality may use up to ten percent  
20 (10%) of the total State and local funds pledged for its program for administrative costs  
21 associated with operating the program.

22       (c) Program Components.— A county or municipality shall use the remaining  
23 funds after administrative expenses to publicize the program and the danger of  
24 abandoned wells to humans, animals, and the environment; to locate abandoned wells;  
25 and to provide financial incentives, in accordance with the provisions of subsection (d)  
26 of this section, for the closure of abandoned wells by landowners.

27       (d) Financial Incentives.— A county or municipality shall provide financial  
28 incentives to landowners to properly plug abandoned wells. A county or municipality  
29 may provide grants to landowners for no less than twenty-five percent (25%) and no  
30 more than fifty percent (50%) of the costs of plugging an abandoned well, up to a  
31 maximum of one hundred dollars (\$100.00) per well.

32 **"§ 87-97.6. Review of Grant Applications.**

33       (a) The Commission shall review the applications for grants from counties and  
34 municipalities and shall approve, approve in part, or disapprove such applications. The  
35 Commission shall establish priorities for the receipt of funds by applicants based on the  
36 following factors and other factors the Commission considers relevant:

37           (1) The susceptibility of the groundwater to contamination through  
38 improperly plugged wells;

39           (2) The quantity and types of agricultural chemicals used in the area; and

40           (3) The number of abandoned wells estimated for the area.

41 **"§ 87-97.7. Technical Review Committee.**

42 Prior to the implementation of the program by the Commission, the Technical  
43 Review Committee shall convene to discuss the implementation plans and to  
44 recommend to the Commission needed changes in the proposed plan. The Technical

1 Review Committee shall consist of the Master of the State Grange, the President of the  
2 North Carolina Farm Bureau Federation, the North Carolina Commissioner of  
3 Agriculture, a representative of the North Carolina County Commissioners' Association,  
4 a representative of the North Carolina League of Municipalities, a representative of the  
5 Groundwater Section of the Environmental Management Division of the Department of  
6 Natural Resources and Community Development appointed by the Chairman of the  
7 Environmental Management Commission, a representative of the Water Resources  
8 Research Institute of The University of North Carolina at Chapel Hill appointed by the  
9 Director of the Institute, a representative of the North Carolina Groundwater  
10 Association, a representative of the North Carolina Society of Engineers, and a public  
11 member appointed by the Governor. The Technical Review Committee shall meet  
12 twice a year to discuss suggested changes to the abandoned well closure program.

13 **"§ 87-97.8. Reports required.**

14 The Department shall report to the Joint Legislative Commission on Governmental  
15 Operations by March 31st of each year or more frequently as requested by the Joint  
16 Legislative Commission on Governmental Operations on the number of grants applied  
17 for, the number approved, the counties and municipalities receiving grants and the  
18 amounts they received, the number of abandoned wells closed and in the process of  
19 being closed, and the average amount of funds per well per local government being  
20 spent on administrative costs, abandoned well location, and financial incentive grants to  
21 landowners. The Technical Review Committee shall report to the Environmental  
22 Review Commission upon request on suggested changes in the design, implementation,  
23 or funding of the program and the program requirements."

24 Sec. 4. Sections 1 and 2 of this act shall become effective October 1, 1989.  
25 Section 3 of this act shall become effective July 1, 1990, except that the provisions of  
26 G.S. 87-97.4 authorizing the assessment and collection of a groundwater resources fee  
27 for the construction of a new well and the provisions of G.S. 87-97.3 creating the  
28 Abandoned Well Closure Grant Fund shall become effective October 1, 1989.