

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 827

Short Title: Improve Indoor Air Quality. (Public)

Sponsors: Representative Alexander.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Rules, Calendar, and Operations of the House

May 5, 2021

A BILL TO BE ENTITLED

AN ACT TO IMPROVE INDOOR AIR QUALITY FOR NORTH CAROLINA CITIZENS.

The General Assembly of North Carolina enacts:

SECTION 1. Finding. – The General Assembly finds that improvement of air quality in enclosed spaces in the State is in the public interest.

HVAC FILTERING REQUIREMENT

SECTION 2.(a) Definitions. – As used in this act, "Council" means the Building Code Council and "Code" means the current North Carolina Building Code as adopted by the Council.

SECTION 2.(b) New Code Amendment. – Until the effective date of the Code amendment that the Council is required to adopt pursuant to subsection (d) of this section, the Council and local governments enforcing the Code shall follow the provisions of subsection (c) of this section with respect to requirements for installation of new or replacement heating, air conditioning, or ventilation equipment.

SECTION 2.(c) Implementation. – Notwithstanding any provision of the Code to the contrary, the Council shall require that new and replacement heating, ventilation, or air conditioning units installed in commercial or residential occupancies must be equipped with an ultraviolet germicidal irradiation system, antimicrobial coatings on ductwork, or other measures that will provide ninety percent (90%) control of infectious aerosols.

SECTION 2.(d) Rulemaking Authority. – Notwithstanding G.S. 150B-19(4), the Commission shall adopt amendments to the Code substantively equivalent to the provisions of subsection (c) of this section.

SECTION 2.(e) Sunset. – Subsection (c) of this section expires on the date that rules adopted pursuant to subsection (d) of this section become effective.

TAX CREDIT FOR AIR PURIFICATION EQUIPMENT

SECTION 3.(a) Article 3B of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-129.16K. Credit for air purification HVAC property.

(a) Credit. – A taxpayer that incorporates qualifying air purification componentry into existing residential and commercial heating, ventilation, and air conditioning equipment is allowed a credit equal to fifty percent (50%) of the cost of the qualifying air purification componentry, including the cost of installation, if the equipment is placed in service in this State during the taxable year. The entire credit may not be taken for the taxable year in which the



1 componentry is placed in service but must be taken in three equal installments beginning with
2 the taxable year in which the componentry is placed in service. No credit is allowed under this
3 section to the extent the cost of the air purification componentry or installation was provided by
4 public funds. For purposes of this section, qualifying air purification componentry means an
5 ultraviolet germicidal irradiation system, antimicrobial coatings on ductwork, or other measures
6 that will provide ninety percent (90%) control of infectious aerosols.

7 (b) Expiration. – If, in one of the years in which the installment for a credit accrues, the
8 qualifying air purification componentry with respect to which the credit is claimed is disposed
9 of, taken out of service, or moved out of State, the credit expires, and the taxpayer may not take
10 any remaining installment of the credit. The taxpayer may, however, take the portion of an
11 installment that accrued in a previous year and was carried forward to the extent permitted under
12 G.S. 105-129.17.

13 (c) Sunset. – This section is repealed effective for qualifying air purification
14 componentry placed in service on or after January 1, 2026."

15 **SECTION 3.(b)** This section is effective for taxable years beginning on or after
16 January 1, 2021.

18 STANDARDS FOR PUBLIC BUILDINGS

19 **SECTION 4.(a)** G.S. 143-135.37 reads as rewritten:

20 "**§ 143-135.37. ~~Energy and~~ Energy, water use-use, and air purification standards for public**
21 **major facility construction and renovation projects; verification and reporting**
22 **of energy and water use.**

23 ...

24 (c2) Heating, Ventilation, and Air Conditioning Air Purification. – For every major facility
25 construction or renovation project of a public agency, the heating, ventilation, and air
26 conditioning system shall be designed and constructed to provide ninety percent (90%) control
27 of infectious aerosols through installation of an ultraviolet germicidal irradiation system,
28 antimicrobial coatings on ductwork, or other measures. The net savings requirement set forth in
29 subsection (a1) of this section shall not apply to standards imposed by this subsection.

30"

31 **SECTION 4.(b)** This section becomes effective October 1, 2023, and applies to
32 construction and renovation projects for which the bidding process is initiated on or after that
33 date.

35 HVAC UPGRADE FUNDS

36 **SECTION 5.(a)** Tier One County School Funds. – The sum of two million five
37 hundred thousand dollars (\$2,500,000) in nonrecurring funds for each year of the 2021-2023
38 fiscal biennium is appropriated to the Department of Public Instruction to provide matching
39 grants for the heating, ventilation, and air conditioning upgrades required by
40 G.S. 143-135.37(c2), as enacted by Section 4 of this act, to public school units located in a tier
41 one county, as defined in G.S. 143B-437.08. The public school unit will match grants under this
42 subsection on the basis of one dollar (\$1.00) from the public school unit for every two dollars
43 (\$2.00) in State funds.

44 **SECTION 5.(b)** Tier Two and Tier Three School Funds. – The sum of five million
45 dollars (\$5,000,000) in nonrecurring funds for each year of the 2021-2023 fiscal biennium is
46 appropriated to the Department of Public Instruction to provide matching grants for the heating,
47 ventilation, and air conditioning upgrades required by G.S. 143-135.37(c2), as enacted by
48 Section 4 of this act, to public school units located in tier two and tier three counties, as defined
49 in G.S. 143B-437.08. The public school unit will match grants under this subsection on the basis
50 of one dollar (\$1.00) from the public school unit for every one dollar (\$1.00) in State funds.

1 **SECTION 5.(c)** Community College Funds. – The sum of two million five hundred
2 thousand dollars (\$2,500,000) in nonrecurring funds for each year of the 2021-2023 fiscal
3 biennium is appropriated to the State Board of Community Colleges to provide matching grants
4 to community colleges for the heating, ventilation, and air conditioning upgrades required by
5 G.S. 143-135.37(c2), as enacted by Section 4 of this act. The community college will match
6 grants under this subsection on the basis of one dollar (\$1.00) from the community college for
7 every one dollar (\$1.00) in State funds.

8 **SECTION 5.(d)** Awards Criteria. – The State Board of Community Colleges and the
9 Department of Public Instruction shall develop criteria for consideration in determining the
10 award of matching funds that shall include at least the following:

11 (1) The age and condition of the heating, ventilation, and air conditioning systems
12 of school and community college buildings.

13 (2) Geographic diversity of awards.

14 **SECTION 5.(e)** The State Board of Community Colleges and the Department of
15 Public Instruction shall report annually no later than October 1 of each year in which funds
16 appropriated by this section are awarded to the Joint Legislative Education Oversight Committee
17 on the following:

18 (1) The community college and public school unit buildings receiving upgrades,
19 and the funding provided for each building, grouped by community college or
20 public school unit.

21 (2) An estimate of the remaining need for heating, ventilation, and air
22 conditioning upgrades needed to reach the infectious aerosol standard set forth
23 in G.S. 143-135.37(c2), as enacted by Section 4 of this act.

24 **SECTION 5.(f)** This section becomes effective July 1, 2021.

25 **SECTION 6.** Except as otherwise specified, this act is effective when it becomes
26 law.