

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 1001
Agriculture, Energy, and Environment Committee Substitute Adopted 6/17/26
PROPOSED COMMITTEE SUBSTITUTE S1001-PCS35478-TQf-66

Short Title: Coastal Regulatory Reform.

(Public)

Sponsors:

Referred to:

May 4, 2026

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE COASTAL AREA MANAGEMENT ACT APPLICATION PROCESSING RULE TO CLARIFY ADJACENT LANDOWNER NOTICE REQUIREMENTS, TO AMEND UPLAND BASIN DISSOLVED OXYGEN AND FINANCIAL ASSURANCE REQUIREMENTS, TO MAKE OTHER TECHNICAL CORRECTIONS TO THE UPLAND BASIN PERMITTING STATUTE, TO EXPAND THE PERMISSIBLE USES OF THE COASTAL STORM DAMAGE MITIGATION FUND AND PROVIDE FUNDING, AND TO CLARIFY AGENCY AUTHORITY OVER THE COASTAL RESERVE.

The General Assembly of North Carolina enacts:

MODIFY COASTAL AREA MANAGEMENT ACT APPLICATION PROCESSING RULE TO CLARIFY ADJACENT LANDOWNER NOTICE REQUIREMENTS

SECTION 1.(a) Definitions. – For purposes of this section and its implementation, "CAMA Application Processing Rule" means 15A NCAC 07J .0204 (Processing the Application).

SECTION 1.(b) CAMA Application Processing Rule. – Until the effective date of the revised permanent rule that the Coastal Resources Commission (Commission) is required to adopt pursuant to subsection (d) of this section, the Commission shall implement the CAMA Application Processing Rule as provided in subsection (c) of this section.

SECTION 1.(c) Implementation. – For both CAMA major and minor development permit applications, the CAMA Application Processing Rule shall provide the following:

- (1) Documentation showing that notice was sent by certified mail to an adjacent riparian landowner at the tax address of record satisfies the notice requirements of the CAMA Application Processing Rule if the applicant provides proof that the adjacent riparian landowner received the notice.
- (2) If the applicant cannot provide proof that the adjacent riparian landowner received the notice, the permit application may proceed without proof of receipt only if the applicant provides documentation showing that notice was sent by certified mail, return receipt requested, at least 60 days before issuance of the permit, to both (i) the adjacent riparian landowner's tax address of record and (ii) the property address of the adjacent riparian property, if a separate property address has been assigned and differs from the landowner's tax address of record.



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- 1 (3) During the 60-day period following the date the notice was sent by certified
2 mail, the Department of Environmental Quality, the Division of Coastal
3 Management, or the local permit officer may continue to process the
4 application. If there is no proof of receipt, however, the permit shall not be
5 issued until the 60-day period has expired. The failure of an adjacent riparian
6 landowner to receive, claim, or respond to the certified mail notice shall not
7 delay or prevent issuance of the permit after the 60-day period has expired.
- 8 (4) Nothing in this subsection is intended to limit or prohibit an applicant for a
9 minor development permit from using any other method of notice permitted
10 by applicable law or rule.

11 **SECTION 1.(d)** Additional Rulemaking Authority. – The Commission shall adopt
12 a rule to amend the CAMA Application Processing Rule consistent with subsection (c) of this
13 section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission pursuant to this
14 section shall be substantively identical to the provisions of subsection (c) of this section. Rules
15 adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the
16 General Statutes. Rules adopted pursuant to this section shall become effective as provided in
17 G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in
18 G.S. 150B-21.3(b2).

19 **SECTION 1.(e)** Sunset. – This section expires when permanent rules adopted as
20 required by subsection (d) of this section become effective.

21 INCREASE MAXIMUM CAMA FEE

22 **SECTION 2.** G.S. 113A-119.1 reads as rewritten:

23 "§ 113A-119.1. Permit fees.

24 (a) The Commission shall have the power to establish a graduated fee schedule for the
25 processing of applications for permits, renewals of permits, modifications of permits, or transfers
26 of permits issued pursuant to this Article. In determining the fee schedule, the Commission shall
27 consider the administrative and personnel costs incurred by the Department for processing the
28 applications, related compliance activities, and the complexity of the development sought to be
29 undertaken for which a permit is required under this Article. The fee to be charged for processing
30 an application may not exceed ~~five hundred sixty-three dollars (\$563.00)~~ five hundred sixty-four
31 dollars (\$564.00). The total funds collected from fees authorized by the Commission pursuant to
32 this section in any fiscal year shall not exceed thirty-three and one-third percent (33 ⅓%) of the
33 total personnel and administrative costs incurred by the Department for permit processing and
34 compliance programs within the Division of Coastal Area Management.

35 (b) Fees collected under this section shall be applied to the costs of administering this
36 Article.

37 (c) Repealed by Session Laws 1991 (Regular Session, 1992), c. 1039, s. 4."
38

39 AMEND UPLAND BASIN DISSOLVED OXYGEN REQUIREMENTS

40 **SECTION 3.(a)** G.S. 113A-129.11 is amended by adding a new subdivision to read:

41 "(2a) Project baseline area. – An area defined as 50 feet plus or minus 5 feet from
42 the location of the proposed entrance to the proposed upland basin marina."

43 **SECTION 3.(b)** G.S. 113A-129.12(b)(2) reads as rewritten:

44 "(2) The waters contained in the upland basin marina have a dissolved oxygen
45 content equal to or greater than the dissolved oxygen content of the water
46 located 50 feet plus or minus 5 feet from the entrance to the upland basin
47 marina before development, within the project baseline area prior to the
48 development, as provided in this subdivision:

- 49 a. As part of the application, an applicant shall provide to the Division of
50 Water Resources and the Division of Coastal Management
51

1 site-specific sampling data documenting pre-project dissolved oxygen
2 levels of the water located ~~50 feet plus or minus 5 feet from each~~
3 ~~proposed entrance to the proposed upland basin marina, in the project~~
4 baseline area. Waters located within the upland basin marina shall be
5 classified the same as the waters in the immediate vicinity of any
6 entrance to the upland basin marina.

7 b. If the site-specific sampling data documents pre-project ambient
8 dissolved oxygen levels above 5.0 mg/L in the project baseline area,
9 the applicant may demonstrate compliance with dissolved oxygen
10 standards through site-specific modeling certified by a North Carolina
11 licensed professional engineer that the marina design provides
12 sufficient flushing to maintain dissolved oxygen levels equal to the
13 greater of (i) the pre-project ambient levels or (ii) the level sufficient
14 to support aquatic habitat. A demonstration under this sub-subdivision
15 is only for pre-permitting design demonstration purposes and shall be
16 used only to determine whether aeration or other active interventions
17 are required as a condition of permit issuance.

18 c. If the applicant provides a demonstration under sub-subdivision b. of
19 this subdivision, the Department shall not require additional
20 mechanical aeration or other active interventions intended to increase
21 or maintain dissolved oxygen as a condition of permit issuance unless
22 the Department provides written findings to the applicant within 90
23 days of the receipt of the demonstration that identify one or more
24 specific deficiencies in the demonstration. For purposes of this
25 sub-subdivision, a specific deficiency may include a deficiency in the
26 methodology, assumptions, data representativeness, model
27 calibration, consistency with applicable water quality standards, or
28 site-specific monitoring data relied upon in the demonstration.

29 d. Nothing in this subdivision shall be construed to modify, supersede, or
30 invalidate any certification issued under section 401 of the federal
31 Clean Water Act, 33 U.S.C. § 1341, any federal permit, any permit
32 issued under the Coastal Area Management Act, or any condition of
33 those approvals. The Department's acceptance of a demonstration
34 under sub-subdivision b. of this subdivision shall not limit or
35 supersede the Department's continuing authority to require
36 monitoring, adaptive management, mechanical aeration, or other
37 corrective measures as necessary to maintain compliance with
38 applicable water quality standards or with the conditions of any
39 applicable permit or certification."

41 AMEND UPLAND BASIN FINANCIAL ASSURANCE REQUIREMENTS

42 SECTION 4. G.S. 113A-129.12(b)(3) reads as rewritten:

43 "(3) The project has a bond or set-aside funds for the long-term operation and
44 maintenance of any technology required to meet or exceed then-applicable
45 water quality standards. The applicant shall provide an estimate of annual
46 operation and maintenance costs, and the bond or set-aside funds shall be
47 equal to five years of the estimated annual operation and maintenance costs.
48 If the requirements of this subdivision are met by a bond, the bond shall
49 identify as the beneficiary of the State or the appropriate permitting agency.
50 If the requirements of this subdivision are met by set-aside funds, the applicant
51 shall establish a trust at a bank, savings and loan institution, credit union,

1 brokerage firm, or company registered under the Investment Company Act of
2 1940, 15 U.S.C. § 80a-1, et seq., and designate the State or the appropriate
3 permitting agency as the beneficiary. The Department may specify the form
4 in which the bond or set-aside funds are provided, as well as a procedure for
5 transfer of the financial assurance if ownership of the upland basin marina
6 changes."

8 UPLAND BASIN TECHNICAL CORRECTIONS

9 **SECTION 5.(a)** G.S. 113A-129.12(b)(1) reads as rewritten:

10 "(1) The upland basin marina is designed to accommodate ~~10 or more~~ more than
11 10 vessels, including individual homeowner boat slips, boat lifts, or dry stack
12 storage."

13 **SECTION 5.(b)** G.S. 113A-129.12(e)(3) reads as rewritten:

14 "(3) The policy goals stated in ~~G.S. 113-102(b)~~ G.S. 113A-102(b)."

16 COASTAL RESERVE AGENCY AUTHORITY

17 **SECTION 6.5.(a)** G.S. 113A-129.2 reads as rewritten:

18 "§ 113A-129.2. Coastal Reserve Program.

19 (a) There is hereby created a North Carolina Coastal Reserve System for the purpose of
20 acquiring, improving, and maintaining undeveloped coastal land and water areas in a natural
21 state.

22 (b) This system shall be established and administered by the Department of
23 Environmental Quality. ~~In so doing the Department shall consult with and seek the ongoing~~
24 ~~advice of Quality, subject to (i) use standards adopted for the system by the Coastal Resources~~
25 ~~Commission and (ii) permits and orders issued by the Coastal Resources Commission.~~
26 Commission concerning activities allowed in the system. The Department may by rule define the
27 areas to be included in this system and set standards for its use.

28 (c) This system shall be established within the coastal area as defined by
29 G.S. 113A-103(2).

30 (d) All acquisitions or dispositions of property for lands within this system shall be in
31 accordance with the provisions of Chapter 146 of the General Statutes.

32 (e) All lands and waters within the system shall be used primarily for research and
33 education. Other public uses, such as hunting, fishing, navigation, and recreation, shall be
34 allowed to the extent consistent with these primary uses. Improvements and alterations to the
35 lands shall be limited to those consistent with these uses.

36 (f) With respect to any component of the system that is also a dedicated nature preserve
37 pursuant to Part 42 of Article 2 of Chapter 143B of the General Statutes, the Department and the
38 Commission, in accordance with the authority granted to each pursuant to subsection (b) of this
39 section, shall act as primary custodian to manage such components, in accordance with the
40 articles of dedication. The Secretary of Natural and Cultural Resources shall monitor these
41 preserves and shall retain authority to report alleged violations of the approved management plan
42 or the articles of dedication for such preserves, in which case the Secretary shall request the
43 Department of Administration to coordinate mediation with the primary custodian. If mediation
44 is unsuccessful in resolving the issue, the Department of Natural and Cultural Resources shall
45 have standing and a right of action in the Superior Court of Wake County, or the county in which
46 the component is located, to enforce the terms of any articles of dedication applicable to such
47 components."

48 **SECTION 6.5.(b)** This section becomes effective January 1, 2027.

50 EFFECTIVE DATE

1 **SECTION 7.** Except as otherwise provided, this act is effective when it becomes
2 law.