

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

S

1

SENATE BILL 646

Short Title: Coastal Funding and Policy Priorities. (Public)

Sponsors: Senators Lee, Lazzara, and Hanig (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 6, 2023

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FUNDS AND AMEND VARIOUS LAWS TO PROTECT,
PRESERVE, AND ENHANCE THE ECONOMIC AND ENVIRONMENTAL
WELL-BEING OF THE COASTAL REGION OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

LIVING SHORELINES FUNDS

SECTION 1.(a) The sum of two million dollars (\$2,000,000) in recurring funds for the 2023-2024 fiscal year is appropriated from the General Fund to the North Carolina Coastal Federation, a nonprofit corporation. These funds may be used for the following purposes:

- (1) Living shoreline projects sponsored by a unit of local government that is or is in a coastal county.
- (2) Matches for federal or private funds provided to the Federation or a unit of local government for living shoreline projects.

SECTION 1.(b) The North Carolina Coastal Federation shall report no later than October 15 of each year on its use of the funds provided by this section during the prior fiscal year to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division of the Legislative Services Commission.

MARICULTURE HUB FUNDS

SECTION 2. The sum of eight hundred thousand dollars (\$800,000) in nonrecurring funds for the 2023-2024 fiscal year is appropriated from the General Fund to the North Carolina Coastal Federation, a nonprofit corporation, for capital improvement projects at the Federation's mariculture hub in Carteret County, which provides a nexus and short-term product storage to improve accessibility of mariculture producers in the State to wholesale seafood purchasers.

COASTAL DEBRIS AND ABANDONED AND DERELICT VESSEL CLEANUP FUNDS

SECTION 3.(a) The sum of five hundred thousand dollars (\$500,000) in recurring funds for the 2023-2024 fiscal year is appropriated from the General Fund to the North Carolina Coastal Federation, a nonprofit corporation, for the following purposes:

- (1) The Federation's Lost Fishery Gear Recovery Program, which employs coastal fishermen and other private partners to remove debris from coastal waters.
- (2) The investigation, removal, and disposal of abandoned and derelict vessels in public trust waters of the State located in coastal counties. For purposes of this section, the phrase "abandoned and derelict vessel" has the meaning set forth



in subdivision (10) of Section 2.1 of S.L. 2019-224, as rewritten by Section 4 of S.L. 2020-74. The Federation may use these funds to contract with any federal or State agency or unit of local government or to match federal grant funds.

- (3) Up to \$50,000 of the funds appropriated by this section shall be used by the Federation to study and develop a recommendation for a permanent program for the removal of abandoned and derelict vessels in coastal waterways. The Federation will consult with the Wildlife Resources Commission, the Department of Environmental Quality, local governments impacted by abandoned and derelict vessels, and other stakeholders.

SECTION 3.(b) The Federation will provide an interim report no later than March 1, 2024, and a final report no later than October of each year that includes (i) results and other metrics, including quantity of fisheries debris and abandoned or derelict vessels removed with the funds provided in subdivisions (a)(1) and (a)(2) of this section and (ii) with respect to the report provided in 2024, cost estimates and proposals for legislative actions for the study directed by subdivision (a)(3) of this section to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division of the Legislative Services Commission.

STUMP SOUND SHELLFISH PROTECTION AND RESTORATION

SECTION 4. The sum of five hundred thousand dollars (\$500,000) in nonrecurring funds for the 2023-2024 fiscal year is appropriated from the General Fund to the North Carolina Coastal Federation, a nonprofit corporation, for restoration and protection of oyster habitat in Stump Sound in Onslow County from polluted stormwater runoff.

ADJUST INTEREST RATE FOR OYSTER SMALL BUSINESS LOAN FUND

SECTION 5.(a) G.S. 113-211 reads as rewritten:

"§ 113-211. Shellfish Growers Loan Program.

- (a) Definitions. – For purposes of this section, the following definitions apply:

- (1) Department. – The Department of Commerce.
- (2) Governmental crop insurance. – Insurance coverage through the United States Department of Agriculture Noninsured Crop Disaster Assistance Program.
- (3) Prime rate. – ~~The interest rate that a commercial bank holds out as its lowest rate for a loan with less than a 36-month term to its most creditworthy borrowers.~~ With respect to loans approved in a particular month, the rate corresponding to the prime rate published by the Wall Street Journal on the first business day of that month.

...

(b) Program. – There is established the Shellfish Growers Loan Program to be administered by the Rural Center. The program shall provide a revolving source of low-interest working capital and equipment loans to emerging and existing small shellfish growers in this State. Funds credited to the program ~~are available in perpetuity shall not revert but remain available for the purposes described in this section~~ and must be used only to provide loans to eligible businesses or for administrative expenses as allowed in this section.

- (c) Loans. – The following shall apply to the program and loans made under the program:
 - (1) A loan provided under the program shall have a fixed interest rate that is equal to ~~the prime rate plus two and one quarter percent (2.25%)~~ lesser of (i) the prime rate and (ii) five percent (5%) and shall be amortized over the term of the loan.

...."

1 **SECTION 5.(b)** This section is effective when it becomes law and applies to loans
2 applied for on or after that date.

3
4 **REDUCE DAMAGED DOCK DEBRIS**

5 **SECTION 6.(a)** Definitions. – As used in this section, "Council" means the North
6 Carolina Building Code Council, "Code" means the current North Carolina Building Code
7 collection, and amendments to the Code, as adopted by the Council, "polystyrene" means any
8 thermoplastic polymer or copolymer comprised of at least eighty percent (80%) styrene or
9 para-methyl styrene by weight, and "unencapsulated polystyrene" means polystyrene that is not
10 completely encased within a polyethylene shell or within other comparable materials that protect
11 against cracking, peeling, sloughing, and deterioration from ultraviolet exposure and physical
12 trauma.

13 **SECTION 6.(b)** Code Amendment. – Until the effective date of the Code
14 amendment that the Council is required to adopt pursuant to this section, the Council and Code
15 enforcement officials enforcing the Code shall follow the provisions of subsection (c) of this
16 section as they relate to the Residential Waterway Structures Rule.

17 **SECTION 6.(c)** Implementation. – Notwithstanding any provision of the Code or
18 law to the contrary, the Council and Code enforcement officials shall prohibit the use of
19 unencapsulated polystyrene material in the construction of floating docks, piers, or walkways in
20 waters of the State located in coastal counties.

21 **SECTION 6.(d)** Additional Rulemaking Authority. – The Council shall adopt a rule
22 to amend the Code consistent with subsection (c) of this section. Notwithstanding
23 G.S. 150B-19(4), the rule adopted by the Council pursuant to this subsection shall be
24 substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant
25 to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes.
26 Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1),
27 as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2).

28 **SECTION 6.(e)** Effective Date. – This section is effective when it becomes law.

29 **SECTION 6.(f)** Sunset. – This section expires on the date that rules adopted pursuant
30 to subsection (d) of this section become effective.

31
32 **DEFINITION AND EFFECTIVE DATE**

33 **SECTION 7.** In this act, the term "coastal county" means a county included in the
34 definition of "coastal area" set forth in G.S. 113A-103(2).

35 **SECTION 8.** Except as otherwise provided, this act becomes effective July 1, 2023.