Part 8B. Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund.

§ 143-215.73F. Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund.

(a) Fund Established. – The Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund is established as a special revenue fund. The Fund consists of fees credited to it under G.S. 75A-3 and G.S. 75A-38, taxes credited to it under G.S. 105-449.126, and funds contributed by non-State entities.

(b) Uses of Fund. – Revenue in the Fund may only be used for the following purposes:

(1) To provide the State's share of the costs associated with any dredging project designed to keep shallow draft navigation channels located in State waters or waters of the State located within lakes navigable and safe.

(2) For aquatic weed control projects in waters of the State that either address (i) a noxious aquatic weed designated under Article 15 of Chapter 113A of the General Statutes, (ii) cyanobacteria causing harmful algal blooms or producing cyanotoxins such as cylindrospermopsin and saxitoxins, or (iii) other aquatic vegetation not so designated, if the vegetation obstructs public water access or access by watercraft to public watercraft launching or docking areas. Funding for aquatic weed control projects is limited to one million dollars ($1,000,000) in each fiscal year.

(3) For administrative support of activities related to beach and inlet management in the State, limited to one hundred thousand dollars ($100,000) in each fiscal year.

(3a) For administrative support of Fund operations, limited to one hundred thousand dollars ($100,000) in each fiscal year.

(4) To provide funding for siting and acquisition of dredged disposal sites.

(5) For assessments and data collection regarding dredge material disposal sites located in the State.

(b1) Grants Authorized. – The Secretary is authorized to accept applications for grants for nonfederal costs of projects sponsored by (i) units of local government for the purpose set forth in subdivision (1) of subsection (b) of this section and (ii) units of local government and other entities for the purpose set forth in subdivision (2) of subsection (b) of this section.

(b2) Invoice Approval Required. – Any invoices submitted to the Secretary for reimbursement or payment from the Fund for projects undertaken for the purpose set forth in subdivision (1) of subsection (b) of this section shall be signed by the representative of [the] unit of local government sponsoring the project.

(c) Cost-Share. – Any project funded by revenue from the Fund must be cost-shared with non-State dollars as follows:

(1) The cost-share for dredging projects shall be at least one non-State dollar for every three dollars from the Fund.

(2) Repealed by Session Laws 2022-74, s. 12.1(a), effective July 1, 2022.

(3) The cost-share for an aquatic weed control project shall be at least one non-State dollar for every dollar from the Fund. The cost-share for an aquatic weed control project located within a component of the State Parks System shall be provided by the Division of Parks and Recreation of the Department of Natural and Cultural Resources. The Division of Parks and Recreation may use funds allocated to the State Parks System for capital projects under G.S. 143B-135.56 for the cost-share.

(4) The cost-share for the dredging of the access canal around the Roanoke Island Festival Park shall be paid from the Historic Roanoke Island Fund established by G.S. 143B-131.8A.

(c1) Cost-Share Exemption for DOT Ferry Channel Projects. – Notwithstanding the cost-share requirements of subdivision (1) of subsection (c) of this section, no cost-share shall be required for dredging projects located, in whole or part, in a development tier one area for a ferry channel used by the North Carolina Department of Transportation.

(d) Return of Non-State Entity Funds. – Non-State entities that contribute to the Fund for a particular project or group of projects may make a written request to the Secretary that the contribution be returned if the contribution has not been spent or encumbered within two years of receipt of the contribution by the Fund. If the written request is made prior to the funds being spent or encumbered, the Secretary shall return the funds to the entity within 30 days after the later of (i) receiving the request or (ii) the expiration of the two-year period described by this subsection.

(e) Definitions. – For purposes of this section, "shallow draft navigation channel" means (i) a waterway connection with a maximum depth of 18 feet, inclusive of the depth of overdepth for navigational depth compliance, between the Atlantic Ocean and a bay or the Atlantic Intracoastal Waterway, (ii) a river entrance to the Atlantic Ocean through which tidal and other currents flow, or (iii) other interior coastal waterways. The term includes the Atlantic Intracoastal Waterway and its side channels, Beaufort Harbor, Bogue Inlet, Carolina Beach Inlet, Mason Inlet, Rich Inlet, Tubbs Inlet, the channel from Back Sound to Lookout Back, channels connected to federal navigation channels, Lockwoods Folly River, Manteo/Shallowbag Bay, Southport Small Boat Harbors, including Oregon Inlet, Masonboro Inlet, New River, New Topsail Inlet, Rodanthe, Hatteras Inlet, Rollinson, Shallotte River, Silver Lake Harbor, and the waterway connecting Pamlico Sound and Beaufort Harbor.

(f) Report. – The Department shall report annually no later than October 1 regarding projects funded under this section to the Fiscal Research Division and the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources. The report shall include project type (dredging or weed control), project location, brief project description, entity receiving the funding, and amount of funding provided.

(g) Rules. – The Department shall adopt rules to implement the grant programs authorized under subsection (b1) of this section. (2013-360, s. 14.22(h); 2014-100, s. 14.19(a); 2015-241, ss. 14.6(a), 14.30(bbb); 2016-94, ss. 14.12(a), 14.19; 2017-190, s. 3.2(b); 2017-197, s. 4.11; 2018-5, s. 13.6; 2021-108, s. 2; 2021-180, s. 12.5(a); 2021-185, s. 5; 2022-74, s. 12.1(a); 2023-137, s. 10; 2024-1, s. 4.12.)