

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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SENATE BILL 151  
Agriculture/Environment/Natural Resources Committee Substitute Adopted 5/14/13  
Third Edition Engrossed 5/15/13

Short Title: Coastal Policy Reform Act of 2013.

(Public)

Sponsors:

Referred to:

March 4, 2013

A BILL TO BE ENTITLED

AN ACT TO AMEND MARINE FISHERIES LAWS, AMEND THE LAW GOVERNING  
THE CONSTRUCTION OF TERMINAL GROINS, AMEND CAMA PERMITTING  
LAWS, AND CLARIFY THAT CITIES AND COUNTIES MAY ENFORCE  
ORDINANCES WITHIN THE STATE'S PUBLIC TRUST AREAS.

The General Assembly of North Carolina enacts:

**PART I. AMEND MARINE FISHERIES LAW**

**SECTION 1.** G.S. 113-172 reads as rewritten:

"§ 113-172. License agents.

(a) The Secretary shall designate license agents for the Department. ~~At least one license agent shall be designated for each county that contains or borders on coastal fishing waters. The Secretary may designate additional license agents in any county if the Secretary determines that additional agents are needed to provide efficient service to the public.~~ The Division and license agents designated by the Secretary under this section shall issue licenses authorized under this Article in accordance with this Article and the rules of the Commission. The Secretary may require license agents to enter into a contract that provides for their duties and compensation, post a bond, and submit to reasonable inspections and audits. If a license agent violates any provision of this Article, the rules of the Commission, or the terms of the contract, the Secretary may initiate proceedings for the forfeiture of the license agent's bond and may summarily suspend, revoke, or refuse to renew a designation as a license agent and may impound or require the return of all licenses, moneys, record books, reports, license forms and other documents, ledgers, and materials pertinent or apparently pertinent to the license agency. The Secretary shall report evidence or misuse of State property, including license fees, by a license agent to the State Bureau of Investigation as provided by G.S. 114-15.1.

(b) License agents shall be compensated by adding a surcharge of one dollar (\$1.00) to each license sold and retaining the surcharge. If more than one license is listed on a consolidated license form, the license agent shall be compensated as if a single license were sold. It is unlawful for a license agent to add more than the surcharge authorized by this section to the fee for each license sold."

**SECTION 2.(a)** G.S. 113-168.5 reads as rewritten:

"(a), (b) Repealed by Session Laws 1998-225, s. 4.14.

(c) ~~Menhaden Endorsements. — Except as provided in G.S. 113-169, it is unlawful to use a vessel to take menhaden by purse seine in coastal fishing waters, to land menhaden taken by purse seine, or to sell menhaden taken by purse seine without obtaining a menhaden~~



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1 endorsement of a SCFL. The fee for a menhaden endorsement shall be two dollars (\$2.00) per  
2 ton, based on gross tonnage as determined by the custom house measurement for the mother  
3 ship. The menhaden endorsement shall be required for the mother ship but no separate  
4 endorsement shall be required for a purse boat carrying a purse seine. The application for a  
5 menhaden endorsement must state the name of the person in command of the vessel. Upon a  
6 change in command of a menhaden vessel, the owner must notify the Division in writing within  
7 30 days.

8 (d) Shellfish Endorsement for North Carolina Residents. – The Division shall issue a  
9 shellfish endorsement of a SCFL to a North Carolina resident at no charge. The holder of a  
10 SCFL with a shellfish endorsement is authorized to take and sell shellfish."

11 **SECTION 2.(b)** G.S. 113-169 is repealed.

12 **SECTION 2.(c)** G.S. 113-168.2(a1) reads as rewritten:

13 "(a1) Use of Vessels. – The holder of a SCFL is authorized to use only one vessel in a  
14 commercial fishing operation at any given time. The Commission may adopt a rule to exempt  
15 from this requirement a person in command of a vessel that is auxiliary to a vessel engaged in a  
16 pound net operation, long-haul operation, or beach seine operation, ~~or menhaden operation.~~"

## 18 **PART II. AMEND TERMINAL GROIN CONSTRUCTION LAW**

19 **SECTION 3.(a)** G.S. 113A-115.1 reads as rewritten:

20 **"§ 113A-115.1. Limitations on erosion control structures.**

21 (a) As used in this section:

22 (1) "Erosion control structure" means a breakwater, bulkhead, groin, jetty,  
23 revetment, seawall, or any similar structure.

24 (1a) "Estuarine shoreline" means all shorelines that are not ocean shorelines that  
25 border estuarine waters as defined in G.S. 113A-113(b)(2).

26 (2) "Ocean shoreline" means the Atlantic Ocean, the oceanfront beaches, and  
27 frontal dunes. The term "ocean shoreline" includes an ocean inlet and lands  
28 adjacent to an ocean inlet but does not include that portion of any inlet and  
29 lands adjacent to the inlet that exhibits characteristics of estuarine shorelines.

30 (3) "Terminal groin" means ~~a structure that is one or more structures~~ constructed  
31 on the side of an inlet at the terminus of an island generally perpendicular to  
32 the shoreline to limit or control sediment passage into the inlet channel.

33 (b) No person shall construct a permanent erosion control structure in an ocean  
34 shoreline. The Commission shall not permit the construction of a temporary erosion control  
35 structure that consists of anything other than sandbags in an ocean shoreline. This ~~section~~  
36 subsection shall not apply to any of the following:

37 (1) Any permanent erosion control structure that is approved pursuant to an  
38 exception set out in a rule adopted by the Commission prior to July 1, 2003.

39 (2) Any permanent erosion control structure that was originally constructed  
40 prior to July 1, 1974, and that has since been in continuous use to protect an  
41 inlet that is maintained for navigation.

42 (3) Any terminal groin permitted pursuant to this section.

43 (b1) This section shall not be construed to limit the authority of the Commission to adopt  
44 rules to designate or protect areas of environmental concern, to govern the use of sandbags, or  
45 to govern the use of erosion control structures in estuarine shorelines.

46 (c) The Commission may renew a permit for an erosion control structure issued  
47 pursuant to a variance granted by the Commission prior to July 1, 1995. The Commission may  
48 authorize the replacement of a permanent erosion control structure that was permitted by the  
49 Commission pursuant to a variance granted by the Commission prior to July 1, 1995, if the  
50 Commission finds that: (i) the structure will not be enlarged beyond the dimensions set out in  
51 the original permit; (ii) there is no practical alternative to replacing the structure that will

1 provide the same or similar benefits; and (iii) the replacement structure will comply with all  
2 applicable laws and with all rules, other than the rule or rules with respect to which the  
3 Commission granted the variance, that are in effect at the time the structure is replaced.

4 (d) Any rule that prohibits permanent erosion control structures shall not apply to  
5 terminal groins permitted pursuant to this section.

6 (e) In addition to the requirements of Part 4 of Article 7 of Chapter 113A of the General  
7 Statutes, an applicant for a permit for the construction of a terminal groin shall submit all of the  
8 following to the Commission:

9 (1) Information to demonstrate that structures or infrastructure are ~~imminently~~  
10 ~~threatened by erosion, and nonstructural approaches to erosion control,~~  
11 ~~including relocation of threatened structures, are impractical.~~ threatened by  
12 erosion.

13 (2) An environmental impact statement that satisfies the requirements of  
14 G.S. 113A-4. An environmental impact statement prepared pursuant to the  
15 National Environmental Policy Act (NEPA), 42 U.S.C. § 4321, et seq., for  
16 the construction of the terminal groin shall satisfy the requirements of this  
17 subdivision.

18 (3) A list of property owners and local governments that may be affected by the  
19 construction of the proposed terminal groin and its accompanying beach fill  
20 project and proof that the property owners and local governments have been  
21 notified of the application for construction of the terminal groin and its  
22 accompanying beach fill project.

23 (4) A plan for the construction and maintenance of the terminal groin and its  
24 accompanying beach fill project prepared by a professional engineer  
25 licensed to practice pursuant to Chapter 89C of the General Statutes.

26 (5) A plan for the management of the inlet and the estuarine and ocean  
27 shorelines immediately adjacent to and under the influence of the inlet. The  
28 inlet management plan monitoring and mitigation requirements must be  
29 reasonable and are not required to address unduly speculative or remote  
30 matters or impose requirements whose cost outweigh the benefits. The inlet  
31 management plan is not required to address sea level rise. The inlet  
32 management plan shall do all of the following relative to the terminal groin  
33 and its accompanying beach fill project:

34 a. Describe the post-construction activities that the applicant will  
35 undertake to monitor the impacts on coastal resources.

36 b. Define the baseline for assessing any adverse impacts and the  
37 thresholds for when the adverse impacts must be mitigated.

38 c. Provide for mitigation measures to be implemented if adverse  
39 impacts reach the thresholds defined in the plan.

40 d. Provide for modification or removal of the terminal groin if the  
41 adverse impacts cannot be mitigated.

42 (6) Proof of financial assurance in the form of a bond, insurance policy, escrow  
43 account, or other financial instrument that is adequate to cover the cost of:

44 a. ~~Long-term maintenance and monitoring of the terminal groin.~~

45 b. ~~Implementation of mitigation measures as provided in the inlet~~  
46 ~~management plan.~~

47 c. ~~Modification of modification~~ or removal of the terminal groin as  
48 provided in the inlet management plan.

49 d. ~~Restoration of public, private, or public trust property if the groin has~~  
50 ~~an adverse impact on the environment or property.~~

1 (f) The Commission shall issue a permit for the construction of a terminal groin if the  
2 Commission finds no grounds for denying the permit under G.S. 113A-120 and the  
3 Commission finds all of the following:

4 (1) The applicant has complied with all of the requirements of subsection (e) of  
5 this section.

6 ~~(2) The applicant has demonstrated that structures or infrastructure are~~  
7 ~~imminently threatened by erosion and that nonstructural approaches to~~  
8 ~~erosion control, including relocation of threatened structures, are~~  
9 ~~impractical.~~

10 (3) The terminal groin will be accompanied by a concurrent beach fill project to  
11 prefill the groin.

12 (4) Construction and maintenance of the terminal groin will not result in  
13 significant adverse impacts to private property or to the public recreational  
14 beach. In making this finding, the Commission shall take into account the  
15 potential benefits of the project, including protection of beaches, protective  
16 dunes, wildlife habitats, roads, homes, and infrastructure, and mitigation  
17 measures, including the accompanying beach fill project, that will be  
18 incorporated into the project design and construction and the inlet  
19 management plan.

20 ~~(5) The inlet management plan is adequate for purposes of monitoring the~~  
21 ~~impacts of the proposed terminal groin and mitigating any adverse impacts~~  
22 ~~identified as a result of the monitoring.~~

23 (6) Except to the extent expressly modified by this section, the project complies  
24 with State guidelines for coastal development adopted by the Commission  
25 pursuant to G.S. 113A-107.

26 ~~(g) The Commission may issue no more than four permits for the construction of a~~  
27 ~~terminal groin pursuant to this section.~~

28 ~~(h) No permit may be issued where funds are generated from any of the following~~  
29 ~~financing mechanisms and would be used for any activity related to the terminal groin or its~~  
30 ~~accompanying beach fill project:~~

31 ~~(1) Special obligation bonds issued pursuant to Chapter 159I of the General~~  
32 ~~Statutes.~~

33 ~~(2) Nonvoted general obligation bonds issued pursuant to G.S. 159-48(b)(4).~~

34 ~~(3) Financing contracts entered into under G.S. 160A-20 or G.S. 159-148.~~

35 (i) No later than September 1 of each year, the Coastal Resources Commission shall  
36 report to the Environmental Review Commission on the implementation of this section. The  
37 report shall provide a detailed description of each proposed and permitted terminal groin and its  
38 accompanying beach fill project, including the information required to be submitted pursuant to  
39 subsection (e) of this section. For each permitted terminal groin and its accompanying beach  
40 fill project, the report shall also provide all of the following:

41 (1) The findings of the Commission required pursuant to subsection (f) of this  
42 section.

43 (2) The status of construction and maintenance of the terminal groin and its  
44 accompanying beach fill project, including the status of the implementation  
45 of the plan for construction and maintenance and the inlet management plan.

46 (3) A description and assessment of the benefits of the terminal groin and its  
47 accompanying beach fill project, if any.

48 (4) A description and assessment of the adverse impacts of the terminal groin  
49 and its accompanying beach fill project, if any, including a description and  
50 assessment of any mitigation measures implemented to address adverse  
51 impacts."

1 SECTION 3.(b) Section 3 of S.L. 2011-387 is repealed.

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3 **PART III. AMEND CAMA PERMITTING LAW**

4 **SECTION 4.** G.S. 113A-120 is amended by adding a new subsection to read:

5 "(d) Review of a permit application submitted pursuant to this Article shall be limited to  
6 consideration of areas of environmental concern officially designated as such at the time the  
7 application was submitted and shall not include consideration of any areas that have not been  
8 designated as areas of environmental concern or for which a designation as an area of  
9 environmental concern is pending at the time the application was submitted."

10  
11 **PART IV. CLARIFY THAT CITIES MAY ENFORCE ORDINANCES WITHIN THE**  
12 **STATE'S PUBLIC TRUST AREAS**

13 **SECTION 5.(a)** Article 8 of Chapter 160A of the General Statutes is amended by  
14 adding a new section to read as follows:

15 **"§ 160A-203. Municipalities may enforce ordinances in public trust areas.**

16 (a) Notwithstanding the provisions of G.S. 113-131 or any other provision of law, a city  
17 may, by ordinance, define, prohibit, regulate, or abate acts, omissions, or conditions upon the  
18 State's ocean beaches and prevent or abate any unreasonable restriction of the public's rights to  
19 use the State's ocean beaches as set forth in subsection (b) of this section. A city may enforce  
20 any ordinance adopted pursuant to this section or any other provision of law upon the State's  
21 ocean beaches located within or adjacent to the city's jurisdictional boundaries to the same  
22 extent that a city may enforce ordinances within the city's jurisdictional boundaries. For  
23 purposes of this section, the term "ocean beaches" has the same meaning as in G.S. 77-20(e).

24 (b) The authority of a city under this section is limited to the following:

25 (1) A city may regulate, restrict, or prohibit the placement, development,  
26 maintenance, repair, alteration, improvement, location, or use of structures,  
27 equipment, personal property, or debris upon the State's ocean beaches  
28 located within or adjacent to the city's jurisdictional boundaries.

29 (2) Any ordinance adopted by the city may provide for summary procedures to  
30 remove or abate any unreasonable restrictions on the public's rights to use  
31 the State's ocean beaches located within or adjacent to the city's  
32 jurisdictional boundaries. However, any procedure potentially resulting in  
33 the removal or demolition of an otherwise lawful building or structure that is  
34 not in imminent danger of collapse shall include provisions that provide the  
35 record owner of the building or structure with notice and a hearing and the  
36 city with a means to recover costs that are the same as or equivalent to the  
37 following: service of complaints and orders as provided in G.S. 160A-445;  
38 notice and hearing as provided in G.S. 160A-443(2); findings of fact and  
39 order as provided in G.S. 160A-443(3)b. and G.S. 24 160A-443(5); liens as  
40 provided in G.S. 160A-443(6); and remedies as provided in G.S. 160A-446.

41 (3) A city may enforce a violation of any ordinance adopted pursuant to this  
42 section by any remedy provided for in G.S. 160A-175. A city may, in lieu of  
43 any other remedy provided for in this section, seek a court order from a court  
44 of competent jurisdiction to remove or abate a building or structure that is in  
45 violation of an ordinance adopted under this section.

46 (c) Nothing in this section shall be construed to (i) limit the authority of the State or any  
47 State agency to regulate the State's ocean beaches as authorized by G.S. 113-131, or common  
48 law as interpreted and applied by the courts of this State; (ii) limit any other authority granted  
49 to cities by the State to regulate the State's ocean beaches; (iii) deny the existence of the  
50 authority recognized in this section prior to the date this section becomes effective; or (iv)  
51 impair the right of the people of this State to the customary free use and enjoyment of the

1 State's ocean beaches, which rights remain reserved to the people of this State as provided in  
2 G.S. 77-20(d). Nothing in this section changes or modifies existing common or statutory law  
3 with respect to the riparian, littoral, or other ownership rights of owners of property bounded by  
4 the Atlantic Ocean."

5 **SECTION 5.(b)** G.S. 113-131 reads as rewritten:

6 **"§ 113-131. Resources belong to public; stewardship of conservation agencies; grant and**  
7 **delegation of powers; injunctive relief.**

8 (a) The marine and estuarine and wildlife resources of the State belong to the people of  
9 the State as a whole. The Department and the Wildlife Resources Commission are charged with  
10 stewardship of these resources.

11 (b) The following powers are hereby granted to the Department and the Wildlife  
12 Resources Commission and may be delegated to the Fisheries Director and the Executive  
13 Director:

- 14 (1) Comment on and object to permit applications submitted to State agencies  
15 which may affect the public trust resources in the land and water areas  
16 subject to their respective management duties so as to conserve and protect  
17 the public trust rights in such land and water areas;
- 18 (2) Investigate alleged encroachments upon, usurpations of, or other actions in  
19 violation of the public trust rights of the people of the State; and
- 20 (3) Initiate contested case proceedings under Chapter 150B for review of permit  
21 decisions by State agencies which will adversely affect the public trust rights  
22 of the people of the State or initiate civil actions to remove or restrain any  
23 unlawful or unauthorized encroachment upon, usurpation of, or any other  
24 violation of the public trust rights of the people of the State or legal rights of  
25 access to such public trust areas.

26 (c) Whenever there exists reasonable cause to believe that any person or other legal  
27 entity has unlawfully encroached upon, usurped, or otherwise violated the public trust rights of  
28 the people of the State or legal rights of access to such public trust areas, a civil action may be  
29 instituted by the responsible agency for injunctive relief to restrain the violation and for a  
30 mandatory preliminary injunction to restore the resources to an undisturbed condition. The  
31 action shall be brought in the superior court of the county in which the violation occurred. The  
32 institution of an action for injunctive relief under this section shall not relieve any party to such  
33 proceeding from any civil or criminal penalty otherwise prescribed for the violation.

34 (d) The Attorney General shall act as the attorney for the agencies and shall initiate  
35 actions in the name of and at the request of the Department or the Wildlife Resources  
36 Commission.

37 (e) In this section, the term "public trust resources" means land and water areas, both  
38 public and private, subject to public trust rights as that term is defined in G.S. 1-45.1.

39 (f) Notwithstanding the provisions of this section, a city may adopt and enforce  
40 ordinances as provided in G.S. 160A-203."

## 41 **PART V. EFFECTIVE DATE**

42 **SECTION 6.** Sections 3 and 4 of this act are effective when the act becomes law  
43 and apply to permit applications submitted on or after that date. Section 5 of this act becomes  
44 effective July 1, 2013. The remainder of this act is effective when it becomes law.  
45