

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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**SENATE BILL 1001
Agriculture, Energy, and Environment Committee Substitute Adopted 6/17/26**

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.
- (3) During the 60-day period following the date the notice was sent by certified mail, the Department of Environmental Quality, the Division of Coastal



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1 Management, or the local permit officer may continue to process the
2 application. If there is no proof of receipt, however, the permit shall not be
3 issued until the 60-day period has expired. The failure of an adjacent riparian
4 landowner to receive, claim, or respond to the certified mail notice shall not
5 delay or prevent issuance of the permit after the 60-day period has expired.

- 6 (4) Nothing in this subsection is intended to limit or prohibit an applicant for a
7 minor development permit from using any other method of notice permitted
8 by applicable law or rule.

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

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

19
20 **RESERVED**

21 **SECTION 2.** Reserved.

22
23 **AMEND UPLAND BASIN DISSOLVED OXYGEN REQUIREMENTS**

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

25 "(2a) Project baseline area. – An area defined as 50 feet plus or minus 5 feet from
26 the location of the proposed entrance to the proposed upland basin marina."

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

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

33 a. As part of the application, an applicant shall provide to the Division of
34 Water Resources and the Division of Coastal Management
35 site-specific sampling data documenting pre-project dissolved oxygen
36 levels of the water located 50 feet plus or minus 5 feet from each
37 proposed entrance to the proposed upland basin marina, in the project
38 baseline area. Waters located within the upland basin marina shall be
39 classified the same as the waters in the immediate vicinity of any
40 entrance to the upland basin marina.

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

- 1 c. If the applicant provides a demonstration under sub-subdivision b. of
 2 this subdivision, the Department shall not require additional
 3 mechanical aeration or other active interventions intended to increase
 4 or maintain dissolved oxygen as a condition of permit issuance unless
 5 the Department provides written findings to the applicant within 90
 6 days of the receipt of the demonstration that identify one or more
 7 specific deficiencies in the demonstration. For purposes of this
 8 sub-subdivision, a specific deficiency may include a deficiency in the
 9 methodology, assumptions, data representativeness, model
 10 calibration, consistency with applicable water quality standards, or
 11 site-specific monitoring data relied upon in the demonstration.
- 12 d. Nothing in this subdivision shall be construed to modify, supersede, or
 13 invalidate any certification issued under section 401 of the federal
 14 Clean Water Act, 33 U.S.C. § 1341, any federal permit, any permit
 15 issued under the Coastal Area Management Act, or any condition of
 16 those approvals. The Department's acceptance of a demonstration
 17 under sub-subdivision b. of this subdivision shall not limit or
 18 supersede the Department's continuing authority to require
 19 monitoring, adaptive management, mechanical aeration, or other
 20 corrective measures as necessary to maintain compliance with
 21 applicable water quality standards or with the conditions of any
 22 applicable permit or certification."

23

24 AMEND UPLAND BASIN FINANCIAL ASSURANCE REQUIREMENTS

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

- 26 "(3) The project has a bond or set-aside funds for the long-term operation and
 27 maintenance of any technology required to meet or exceed then-applicable
 28 water quality standards. The applicant shall provide an estimate of annual
 29 operation and maintenance costs, and the bond or set-aside funds shall be
 30 equal to five years of the estimated annual operation and maintenance costs.
 31 If the requirements of this subdivision are met by a bond, the bond shall
 32 identify as the beneficiary of the State or the appropriate permitting agency.
 33 If the requirements of this subdivision are met by set-aside funds, the applicant
 34 shall establish a trust at a bank, savings and loan institution, credit union,
 35 brokerage firm, or company registered under the Investment Company Act of
 36 1940, 15 U.S.C. § 80a-1, et seq., and designate the State or the appropriate
 37 permitting agency as the beneficiary. The Department may specify the form
 38 in which the bond or set-aside funds are provided, as well as a procedure for
 39 transfer of the financial assurance if ownership of the upland basin marina
 40 changes."

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42 UPLAND BASIN TECHNICAL CORRECTIONS

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

- 44 "(1) The upland basin marina is designed to accommodate ~~10 or more~~ more than
 45 10 vessels, including individual homeowner boat slips, boat lifts, or dry stack
 46 storage."

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

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

49

50 COASTAL STORM DAMAGE MITIGATION FUND ELIGIBLE EXPENSE REVISION

51 **SECTION 6.(a)** G.S. 143-215.73M reads as rewritten:

1 **"§ 143-215.73M. Coastal Storm Damage Mitigation Fund.**

2 (a) Fund Established. – The Coastal Storm Damage Mitigation Fund is established as a
3 special revenue fund. The Fund consists of General Fund appropriations, gifts, grants, devises,
4 monies contributed by a non-State entity for a particular beach nourishment or damage mitigation
5 project or group of projects, and any other revenues specifically allocated to the Fund by an act
6 of the General Assembly.

7 (b) Uses of the Fund. – Revenue credited to the Fund may only be used for ~~costs~~ any of
8 the following:

9 (1) Costs associated with beach nourishment, artificial dunes, and other projects
10 to mitigate or remediate coastal storm damage to the ocean beaches and dune
11 systems of the State.

12 (2) Costs associated with the permitting, construction, or repair of a terminal groin
13 permitted under G.S. 113A-115.1, provided that all of the following
14 requirements are met:

15 a. The project is sponsored by a unit of local government.

16 b. The Secretary determines that the project would provide storm damage
17 mitigation or resiliency benefits to public lands in the vicinity of the
18 terminal groin.

19 For purposes of this subdivision, construction or repair costs do not include
20 the costs of financial assurance or costs of implementation of any component
21 of the applicable inlet management plan.

22"

23 **SECTION 6.(b)** There is appropriated the sum of eight hundred thousand dollars
24 (\$800,000) in nonrecurring funds for the 2026-2027 fiscal year from the General Fund to the
25 Department of Environmental Quality for the Coastal Storm Damage Mitigation Fund,
26 established by G.S. 143-215.73M, to be used for purposes consistent with that statute.

27
28 **COASTAL RESERVE AGENCY AUTHORITY**

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

30 **"§ 113A-129.2. Coastal Reserve Program.**

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

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

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

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

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

48 (f) With respect to any component of the system that is also a dedicated nature preserve
49 pursuant to Part 42 of Article 2 of Chapter 143B of the General Statutes, the Department and the
50 Commission, in accordance with the authority granted to each pursuant to subsection (b) of this
51 section, shall act as primary custodian to manage such components, in accordance with the

1 articles of dedication. The Secretary of Natural and Cultural Resources shall monitor these
2 preserves and shall retain authority to report alleged violations of the approved management plan
3 or the articles of dedication for such preserves, in which case the Secretary shall request the
4 Department of Administration to coordinate mediation with the primary custodian. If mediation
5 is unsuccessful in resolving the issue, the Department of Natural and Cultural Resources shall
6 have standing and a right of action in the Superior Court of Wake County, or the county in which
7 the component is located, to enforce the terms of any articles of dedication applicable to such
8 components."

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

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11 **EFFECTIVE DATE**

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