



Topsail Island Shoreline Protection Commission

Legislative Report
April 20, 2025

Since the legislature is taking an “Easter Break” and will not meet next week, we will not publish a legislative report on April 25. The next legislative report will be published on May 2.

INTRODUCTION

To keep things moving at the legislature in advance of their scheduled spring break next week, the House and Senate both held lengthy committee meetings on Tuesday and Wednesday. The House actually scheduled some of their Judiciary committees for 2-hour time slots, which is a very rare occurrence.

The Senate also released their version of the budget on Monday evening and passed it out of the chamber this week. Senate Bill 257, 2025 Appropriations Act, was heard in multiple Senate committees on Tuesday, before being voted on by the full chamber on Wednesday and Thursday. “We’ve looked at the population growth, the inflation factor, we’ve looked at where we are as far as western North Carolina, and the things that we continue to need to do there ... and I would say it’s a budget that will meet the needs of North Carolina,” Senate leader Phil Berger told reporters Monday. The House will of course have its chance to have input on the 440 page “special provisions” bill and the accompanying 661 page “money report.”

North Carolina’s Supreme Court ruled last Friday that tens of thousands of cast ballots challenged by the trailing candidate in November’s unresolved election for a seat on the Supreme Court must remain in the election in North Carolina’s count. The decision partially overturns the prior ruling by a panel of the intermediate-level Court of Appeals that had favored Republican Jefferson Griffin, who closely trails Democratic Associate Justice Allison Riggs. But a majority of justices let stand the lower court’s determinations that additional ballots from two other categories that Griffin contested were wrongly allowed in the tally. Some of these voters — potentially thousands who serve in the military or live overseas — would still get a chance to turn in a photo identification or an ID exception form for their choice in the race to remain in the count, the court’s prevailing order says. And the high court kept in place the Court of Appeals ruling that those in the third category — potentially hundreds of overseas voters who have never lived in the U.S. — were ineligible based on state residency laws to cast ballots and their choices must be removed from the totals. The Supreme Court’s order does not fully resolve the close race between Griffin and Riggs, who leads Griffin by 734 votes from more than 5.5 million ballots cast in their race. It is unknown whether the outstanding ballots that could ultimately get taken out of the count could flip the result to Griffin. Justice Riggs’ attorneys filed a motion late last Friday in U.S. District Court in Raleigh asking a judge to issue an injunction preventing the state appeals court decisions from being carried out immediately.

This week Speaker of the House of Representatives Destin Hall and his wife had an important announcement to make – they welcomed their first child into their family, a baby boy named Henry.

The House and Senate adjourned on Thursday and will reconvene on Monday, April 28, 2025.

STATE BUDGET BILL – Senate Bill 257

The Senate version of the State Budget Bill approved this week contains the following provisions of interest:

Section 12.3 2025 Water Safety Act pg 258

Section 12.3 of the 2025 Water Safety Act establishes a PFAS Mitigation and Research initiative to address contamination in North Carolina. It creates the PFAS Mitigation Fund within the Department of Environmental Quality to support public water and wastewater systems through grants for PFAS sampling, monitoring, and treatment upgrades. The State Water Infrastructure Authority (SWIA) administers the fund and must prioritize systems facing the greatest PFAS-related impacts, especially distressed units. SWIA is also tasked with annually reporting on funded projects. Additionally, the North Carolina Collaboratory is directed to manage a PFAS Research Grant Program to support applied research into reducing PFAS exposure, with a focus on practical, locally deployable solutions. The Collaboratory must submit an annual report on grant activities and outcomes. Funding for both the mitigation and research programs is provided through allocations from the Stabilization and Inflation Reserve.

Section 12.5 – Algal Bloom Protection pg 260

Section 12.5 establishes the Algal Control Grant Program within the Department of Environmental Quality to assist local governments with preventing, controlling, and mitigating harmful algal blooms caused by cyanobacteria at public watercraft launch and dock sites. Grants are awarded on a first-come, first-served basis, with priority given to local governments that did not receive funding in the prior year. Each entity may receive only one grant per fiscal year. Local governments must provide matching funds, with the required match amount scaled based on the county's economic tier: a 3-to-1 state match for Tier 1 counties, 2-to-1 for Tier 2, and 1-to-1 for Tier 3. The Department may use up to \$100,000 annually for administrative costs, and total funding for the program is capped at \$1.2 million per year. Annual reports on program implementation and outcomes are required starting October 1, 2026.

Section 12.6 – Beach and Inlet Management Plan and Report pg 261

Section 12.6 codifies and updates the Beach and Inlet Management Plan under Part 8E of Article 21 in Chapter 143 of the General Statutes. It declares that the State has a responsibility to manage and protect its beaches and inlets from erosion and related damage and lays out a comprehensive strategy for beach nourishment and inlet management. The Department of Environmental Quality is required to compile data on beach conditions, erosion rates, and coastal hazards and use this information to develop a multiyear beach and inlet management strategy. This plan must coordinate with federal and state agencies, promote the use of dredged sand, and prioritize public access and cost-effective nourishment projects. A new provision adds a four-year cycle of planned maintenance and resiliency projects. The Department must revise the plan every two years and submit updates to the General Assembly by March 1 of each odd-numbered year, with the next interim progress report due by March 1, 2026.

Section 12.8 – Authorize the Environmental Management Commission to Employ Independent Staff pg 264

Section 12.8 authorizes the Environmental Management Commission (EMC) to independently employ its own professional, administrative, technical, and clerical personnel as needed to carry out its statutory duties. This authority marks a shift from prior law, which required the Department of Environmental Quality to provide all clerical and support services. The EMC chair is given authority to organize and direct the work of these staff members, and to authorize travel and related expenses within budgetary limits. Salaries and compensation for this independent staff are to be set in accordance with laws that govern salary regulation for other state agencies.

Section 14.5 – Underwater Archaeology Hobby License pg 271

Section 14.5 creates a new underwater archaeology hobby license, allowing individuals—both residents and nonresidents—to conduct noncommercial exploration of abandoned shipwrecks and state-owned navigable waters, and to recover by hand a limited number of underwater archaeological artifacts. The license may be issued for one or three years and is subject to various restrictions. Licensees may not disturb wreck structures, use mechanical devices, or explore restricted or federally managed sites. The Department of Natural and Cultural Resources must review post-retrieval reports and may transfer ownership of properly documented artifacts to licensees unless violations occur. Annual reporting is required, even if no activity takes place. The Department is authorized to suspend or revoke licenses for misconduct or rule violations. License fees are capped at \$20 for one-year licenses and \$50 for three-year licenses for residents, and \$30 and \$75, respectively, for nonresidents. The Department must adopt implementing rules.

Section 14.6 – Topsail Island Preservation Funds pg 273

Section 14.6 provides that funds appropriated to the Department of Natural and Cultural Resources (DNCR) for a directed grant to the North Carolina Coastal Land Trust are to support the acquisition of land on Topsail Island. These state funds are intended to supplement, not replace, other sources of funding. If the Trust secures alternative funding for the same purpose, it must remit to DNCR an amount equal to the alternative funds received, not exceeding the total amount of the state grant. DNCR is then required to transfer the remitted funds to the General Fund.

MONEY REPORT

Section D Agric, Natural, and Economic Resources

66 – Base Budget Correction – Shallow Draft Transfer

Snappy Summary:

Corrects the base budget to reflect the intergovernmental transfer from the Shallow Draft Navigation Channel and Aquatic Weed Fund for aquatic weed control and administration. The corrected transfer amount is \$1.1 million.

Funding Summary:

FY 2025–26: (\$210,368) (R)

FY 2026–27: (\$210,368) (R)

67 – Algae Control Program

Snappy Summary:

Budgets an intergovernmental transfer from the Shallow Draft Navigation Channel and Aquatic Weed Fund to establish an Algae Control Program. \$1 million will support local government grants to abate harmful algae at public access areas, boat launches, and docks.

Funding Summary:

FY 2025–26: \$1,200,000 (R)

FY 2026–27: \$1,200,000 (R)

FTE: 1.000 in each year

Net General Fund Appropriation: \$0

68 – Algal Blooms Rapid Response Team

Snappy Summary:

Establishes a rapid response team within the Division of Water Resources to respond to harmful algae blooms, fish kills, chemical spills, and other surface water events. Includes funding for four positions and related operating costs.

Funding Summary:

FY 2025–26: \$411,111 (R) + \$164,000 (NR)

FY 2026–27: \$411,111 (R)

FTE: 4.000 in each year

80 – Coastal Recreational Fishing License (CRFL) Research Support

Snappy Summary:

Budgets an intergovernmental transfer of CRFL lifetime license receipts from the Marine Resources Endowment Fund to support \$6.5 million in total marine fisheries research annually. The transfer offsets General Fund appropriations.

Funding Summary:

FY 2025–26: (\$1,800,000) (R)

FY 2026–27: (\$1,800,000) (R)

Net General Fund Appropriation: Negative appropriation due to offset.

81 – Marine Patrol Operating Support

Snappy Summary:

Budgets an intergovernmental transfer from CRFL receipts in the Marine Resources Fund to offset non-personal services operating costs for Marine Patrol. Total program requirements are \$10.4 million annually.

Funding Summary:

FY 2025–26: (\$500,000) (R)

FY 2026–27: (\$500,000) (R)

82 – Overrealized Receipts

Snappy Summary:

Increases budgeted receipts for Coastal Area Management Act (CAMA) permits to align with anticipated collections. The updated budgeted amount for CAMA permits is \$982,412 per year.

Funding Summary:

FY 2025–26: (\$240,744) (R)

FY 2026–27: (\$240,744) (R)

83 – Beach and Inlet Management Plan

Snappy Summary:

Provides nonrecurring funds to update the Beach and Inlet Management Plan, which was last revised in 2016.

Funding Summary:

FY 2025–26: \$400,000 (NR)

FY 2026–27: None

84 – Shallow Draft Fund

Snappy Summary:

Eliminates a recurring General Fund transfer to the Shallow Draft Navigation Channel and Aquatic Weed Fund. The fund, primarily supported by boat registration fees and a portion of the motor fuels tax, had a cash balance exceeding \$75 million as of March 22, 2025.

Funding Summary:

FY 2025–26: (\$2,130,357) (R)

FY 2026–27: (\$2,130,357) (R)

86 – Base Budget Adjustment – Shallow Draft

Snappy Summary:

Adjusts the base budget for the Shallow Draft Navigation Channel and Aquatic Weed Fund to align expenditures and receipts.

Funding Summary:

FY 2025–26: (\$200,000) (R)

FY 2026–27: (\$200,000) (R)

88 – General Fund Transfer

Snappy Summary:

Eliminates a recurring transfer from the General Fund to the Shallow Draft Navigation Channel and Aquatic Weed Fund. The fund remains well-capitalized, with projected availability of \$26.6 million in FY 2025–26 and \$26.9 million in FY 2026–27.

Funding Summary:

FY 2025–26: (\$2,130,357) (R)

FY 2026–27: (\$2,130,357) (R)

89 – Algae Control Program

Snappy Summary:

Transfers recurring funds from the Shallow Draft Navigation Channel and Aquatic Weed Fund to the Division of Water Resources to establish an Algae Control Program.

Funding Summary:

FY 2025–26: \$1,200,000 (R)

FY 2026–27: \$1,200,000 (R)

101 – Base Budget Correction

Snappy Summary:

Corrects the base budget to reflect the 5% transfer from the Parks and Recreation Trust Fund (PARTF) required by G.S. 143B-135.56. The revised PARTF transfer amount is \$1.4 million per year.

Funding Summary:

FY 2025–26: (\$2,744,196) (R)

FY 2026–27: (\$2,744,196) (R)

102 – Marine Patrol Operating Support**Snappy Summary:**

Budgets a recurring intergovernmental transfer to Marine Patrol to support non-personal services operating costs.

Funding Summary:

FY 2025–26: \$500,000 (R)

FY 2026–27: \$500,000 (R)

103 – PFAS Mitigation Fund**Snappy Summary:**

Budgets nonrecurring receipts from the Stabilization and Inflation Reserve for the PFAS Mitigation Fund established by the 2025 Water Safety Act. Funds will provide grants to local governments and water and sewer authorities for PFAS sampling, monitoring, and treatment system upgrades.

Funding Summary:

FY 2025–26: \$55,000,000 (NR)

FY 2026–27: \$55,000,000 (NR)

106 – Federal Infrastructure Investment and Jobs Act (IIJA)**Snappy Summary:**

Budgets additional federal receipts from the IIJA for the Clean Water State Revolving Fund (CWSRF) to support water infrastructure improvements across the state.

Funding Summary:

FY 2025–26: \$44,460,000 (NR)

FY 2026–27: \$44,460,000 (NR)

107 – CWSRF Match**Snappy Summary:**

Budgets receipts from the Federal Infrastructure Match Reserve to provide the required 20% state match for additional IIJA State Revolving Fund grants in both years of the biennium.

Funding Summary:

FY 2025–26: \$8,892,000 (NR)

FY 2026–27: \$8,892,000 (NR)

Net General Fund Appropriation: \$0

108 – IIJA Emerging Compounds**Snappy Summary:**

Budgets additional federal receipts from the IIJA for grants supporting projects that address emerging compounds, including PFAS.

Funding Summary:

FY 2025–26: \$3,838,000 (NR)

FY 2026–27: \$3,838,000 (NR)

Net General Fund Appropriation: \$0

111 – Federal Infrastructure Investment and Jobs Act (IIJA) Funds

Snappy Summary:

Budgets additional federal receipts from the IIJA for the Drinking Water State Revolving Fund (DWSRF).

Funding Summary:

FY 2025–26: \$68,611,000 (NR)

FY 2026–27: \$68,611,000 (NR)

Net General Fund Appropriation: \$0

112 – DWSRF Match

Snappy Summary:

Budgets the required 20% state match for additional federal IIJA DWSRF grants. Funding comes from the Federal Infrastructure Match Reserve in year one and the General Fund in year two.

Funding Summary:

FY 2025–26: \$13,722,200 (NR)

FY 2026–27: \$13,722,200 (NR)

Net General Fund Appropriation: \$0

113 – IIJA Lead Remediation Grants

Snappy Summary:

Budgets additional federal receipts from the IIJA for grants to replace lead service lines in public water systems.

Funding Summary:

FY 2025–26: \$76,201,000 (NR)

FY 2026–27: \$76,201,000 (NR)

Net General Fund Appropriation: \$0

114 – IIJA Emerging Compounds

Snappy Summary:

Budgets additional federal receipts from the IIJA for grants addressing emerging contaminants in drinking water systems, such as PFAS.

Funding Summary:

FY 2025–26: \$21,054,000 (NR)

FY 2026–27: \$21,054,000 (NR)

Net General Fund Appropriation: \$0

115 – IIJA Small and Disadvantaged Community Grants

Snappy Summary:

Budgets federal receipts for grants to public water systems in small and disadvantaged communities, with a focus on addressing emerging contaminants like PFAS.

Funding Summary:

FY 2025–26: \$28,554,000 (NR)

FY 2026–27: \$28,554,000 (NR)

Net General Fund Appropriation: \$0

116 – DWSRF Helene Supplemental Funding

Snappy Summary:

Budgets Helene Supplemental Funding from the federal DWSRF to assist wastewater utilities in disaster-affected counties.

Funding Summary:

FY 2025–26: \$409,422,000 (NR)

FY 2026–27: \$409,422,000 (NR)

Net General Fund Appropriation: \$0

117 – Marine Resources Research**Snappy Summary:**

Budgets a recurring intergovernmental transfer to support Marine Fisheries Research operations.

Funding Summary:

FY 2025–26: \$1,800,000 (R)

FY 2026–27: \$1,800,000 (R)

161 – Coastal Land Trust**Snappy Summary:**

Provides nonrecurring funds for a directed grant to the NC Coastal Land Trust for land acquisition on Topsail Island.

Funding Summary:

FY 2025–26: \$2,000,000 (NR)

FY 2026–27: None

168 – Base Budget Correction – PARTF Beach Access Grants**Snappy Summary:**

Adjusts the base budget to reflect the statutory 5% allocation from the Parks and Recreation Trust Fund (PARTF) for the Coastal and Estuarine Water Beach Access Program. The revised transfer amount to the Department of Environmental Quality is \$1.4 million annually.

Funding Summary:

FY 2025–26: \$1,212,144 (R)

FY 2026–27: \$1,212,144 (R)

178 – Expanding Non-motorized Boating Access**Snappy Summary:**

Budgets nonrecurring receipts from the Non-game Aquatic Project Fund and the Recovery and Sustainment Program Fund to improve access for non-motorized boats at public boating access areas statewide.

Funding Summary:

FY 2025–26: \$1,000,000 (NR)

FY 2026–27: \$1,000,000 (NR)

Net General Fund Appropriation: \$0

179 – Inland Dredging**Snappy Summary:**

Provides recurring funding for inland dredging projects that support safe access for boating and paddling across North Carolina.

Funding Summary:

FY 2025–26: \$400,000 (R)

FY 2026–27: \$400,000 (R)

181 – Non-game Aquatic Project Fund Transfer

Snappy Summary:

Transfers nonrecurring funds from the Non-game Aquatic Project Fund to Engineering Water Access for the installation of launch equipment for non-motorized boats at access areas across the state.

Funding Summary:

FY 2025–26: \$500,000 (NR)

FY 2026–27: \$500,000 (NR)

182 – Recovery and Sustainment Program (RASP) Fund Transfer

Snappy Summary:

Transfers nonrecurring funds from the Recovery and Sustainment Program Fund to Engineering Water Access to install launch equipment for non-motorized boats at public boating access areas.

Funding Summary:

FY 2025–26: \$500,000 (NR)

FY 2026–27: \$500,000 (NR)

BILL STATUS UPDATES

House Bill 841, Shellfish Leasing Study, is scheduled for consideration in the House Wildlife Resources Committee on Tuesday April 29.

House Bill 850, Interbasin Transfer Moratorium/Study, received a favorable report from the House Agriculture Government Committee and was referred to the House Regulatory Reform Committee.

House Bill 887 Address Abandoned and Derelict Vessels, is scheduled for consideration in the House State and Local Government Committee on Tuesday April 29.

Senate Bill 266, Historic Flood Event Bldg. Code Exemption, was amended in the Senate Regulatory Reform Committee as follows:

- Requires the Department of Insurance (DOI), by August 1, 2025, to prepare and submit to FEMA for its approval, the proposed changes set out in the act.
- Requires the Department of Environmental Quality, Department of Agriculture and Consumer Services, and a unit of local government (as applicable), to waive the following requirements, to the extent the requirements are State or local in origin and not otherwise required to meet federal law, as they apply to activities to process tree stumps and vegetative debris into mulch or soil amendments in the counties designated before, on, or after the act's effective date under a major disaster declaration by the President as a result of Hurricane Helene: (1) solid waste composing rules for Type 1 facilities under the specified rule, (2) storm water, sedimentation, and erosion control requirements; (3) air quality permit requirements for vegetative debris processing equipment under the specified rule, (4) soil amendment or compost product registration required

by the Department of Agriculture and Consumer Services, and (5) State Fire Code limitations on mulch pile storage. Expires July 1, 2027.

With these changes, the committee approved the bill and it was referred to the Senate Commerce Committee.

Senate Bill 505, Address Abandoned and Derelict Vessels, is scheduled for consideration in the Senate State and Local Government Committee on Tuesday April 29.

For more information about legislation described in the legislative reports, feel free to contact us at chorton@maynardnexsen.com, dferrell@maynardnexsen.com, criemer@maynardnexsen.com or at (919) 573-7421. Information is also available on the General Assembly's website: www.ncleg.gov.

Prepared By: David P. Ferrell, Clark Riemer and Chase Horton – TISPC Lobbyists

**MAYNARD NEXSEN PC
4141 Parklake Ave, Suite 200
Raleigh, North Carolina 27612
Telephone: (919) 573-7421
dferrell@maynardnexsen.com
www.maynardnexsen.com**