



Final budget receives legislative approval; heads to Governor's desk

After negotiating for barely two weeks, on Monday legislative leaders released their compromise spending plan, which is heading toward final approval by the end of this week. The Senate voted 38-11 on Tuesday and 39-11 on Wednesday; the House voted 77-40 on Wednesday with a final vote scheduled for Thursday. It is likely the Governor will veto the budget but with veto-proof margins in both chambers, an override is likely.

Water resources development funds were appropriated for Phase 2 of North Topsail Shoreline Protection (\$500,000), Surf City/North Topsail preconstruction (\$218,000), and West Onslow preconstruction (\$218,000) – plus a carryforward of \$135,000 in funds from last year for Surf City/North Topsail preconstruction activities and \$130,000 for West Onslow Beach preconstruction activities. There is also an extra provision for the \$2 million appropriation for North Topsail Storm Damage Mitigation that prevents it from reverting if not used this budget year, and \$500,000 from a DOT contingency fund has been requested by Rep. Shepard and Sen. Harry Brown to build a bike path from North Topsail to Sneads Ferry.

The budget also calls for a study of the feasibility and cost-effectiveness of state acquisition of one or more dredges. The study – which is due back to the legislature by April 1, 2018 – will include the capital and annual operating costs of one or more dredges and funding sources for those costs; the expected level of utilization of one or more State-owned dredges; opportunities for defraying operating expenses by the sale of dredging services to other states, the federal government, and private parties; and options for minimizing costs and increasing cost-effectiveness, including an evaluation of public-private partnerships and shared ownership arrangements with neighboring states or the U.S. Army Corps of Engineers.

The final budget did not include the establishment of a Coastal Storm Damage Mitigation Fund to help pay a portion of the costs associated with beach nourishment, artificial dunes, and other projects to mitigate or remediate coastal storm damage to the state's ocean beaches and dune systems. The Senate and House budgets included the provision creating the Fund, but neither provided any money for it.

LEGISLATION OF INTEREST

HB 56: Amend Environmental Laws. The Senate Committee on Agriculture/Environment/Natural Resources adopted a committee substitute on 5/31/2017; the bill was approved and referred to Senate Finance. It includes provisions for coastal stormwater variances and makes modifications to the Coastal Area Management Act.

HB 158: Special Assessments/Critical Infrastructure. Passed the Senate unanimously on 6/6/2017; the House concurred 103-4 on 6/14/2017 and the bill was sent to Governor 6/14/2017 for signature.

HB 436: Local Government/Regulatory Fees. The Senate State and Local Government Committee approved a committee substitute 4/19/2017 that strips the bill's previous provisions suspending cities and counties' authority to charge impact fees on developers, and instead establishes a uniform authority for system development fees to be charged by a public water or sewer system. Sent to Senate Finance 6/21/2017.

HB 666: Revise Volunteer Fire Department Requirements. A fire department's primary personnel requirement for certification inspection purposes may be waived under certain circumstances. The Senate State and Local Government Committee voted 6/20/2017 to approve the bill; it was sent back to the Senate Rules Committee 6/20/2017.

SB 410: Marine Aquaculture Development Act. Creates a permitting and leasing program for marine aquaculture activities; requires the state to request the issuance of federal rules to allow marine aquaculture in federal waters off the N.C. coast. The Senate approved the bill 6/8/2017. The House Committee on Agriculture made changes to the bill 6/20/2017.

SB432: Delay Marine Fisheries Rule Making. Prohibits rule adopted by Marine Fisheries Commission on secondary estuaries. Passed the Senate 47-2 on 4/26/2017 and is in House Rules.

SB 434: Amend Environmental Laws 2. Includes provision directing the state to participate in dredge disposal siting negotiations with the federal government. Referred to House Rules 6/14/2017.