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Government relations and public affairs at the state level.

Senate and House Budget Highlights May 25, 2017

The Senate passed a budget proposal in mid-May and the House released their subcommittee budgets today, both of which make a lot of progress on coastal issues. 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 carry forward of \$135,000 in funds from last year for Surf City/North Topsail preconstruction activities and \$130,000 for West Onslow Beach preconstruction activities. Only in the Senate budget is there an extra provision for a \$2 million appropriation for North Topsail Storm Damage Mitigation that prevents it from reverting if not used this budget year. The House only funded beach capital projects that had a federal match.

The Senate and House budgets include a provision to set up the “Coastal Storm Damage Mitigation Fund,” but there is no funding associated with the provisions. The fund, which requires cost-sharing of state and non-state dollars, will help pay for costs associated with beach nourishment, artificial dunes, and other projects to mitigate or remediate coastal storm damage to the ocean beaches and dune systems of the State. The House version has a requirement that the money in the fund cannot be used for a terminal groin. Our coastal legislators have worked hard to find a permanent funding source for the Fund, but they were unable to complete the task. There are still ideas floating around but they may not be able to be implemented before the end of session.

We are also hearing that there was some interest in the House to use current dredging and extra DOT funds to purchase a dredge to begin the process of the State taking over the full cost and management of dredging and beach nourishment from the federal government. Questions were raised by some of the coastal legislators, which showed the need for more research on the issue, so the idea of purchasing a dredge will not be pursued this year. There is a study in both budgets for DEQ to analyze the feasibility of the state purchasing a hopper dredge.

The House Appropriation subcommittees have released their budgets today with floor votes next Thursday and Friday. Once the House passes its proposal, House and Senate budget writers will work together to negotiate a final spending plan. A veto is anticipated which will likely keep the legislature in session longer.

LEGISLATION OF INTEREST – ACTION WITHIN THE PAST MONTH

[HB 158](#): Special Assessments/Critical Infrastructure. Passed the House 109-8 on 3/1/17; scheduled for Senate Finance Committee on 5/24/2017.

[HB 436](#): Suspends for one-year cities and counties' authority to charge impact fees on developers and requires a study of the issue. Approved by the House 100-19 and referred to Senate Rules on 4/26/2017.

[SB 131](#): Regulatory Reform Act of 2016. Includes several measures intended to reduce regulations, including allowing the Coastal Resources Commission to adopt an emergency rule for the use of temporary erosion control structures. Signed into law 5/4/2017 by Governor Cooper.

[SB 410](#): Creates a permitting 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. Approved by Senate Agriculture/Environment/Natural Resources 4/21/2017 and scheduled for discussion 5/24/17 in Senate Finance.

[SB 432](#): Delays certain decisions by the Marine Fisheries Commission until the collaborative shrimp gear study is completed. Passed the Senate and referred 4/26/2017 to House Rules.

[SB 434](#): Amend Environmental Laws. Includes provision directing the state to participate in dredge disposal siting negotiations with the federal government. Approved 4/20/2017 by Senate Agriculture/Environment/Natural Resources and 4/24/2017 by Senate Rules.