

Fiscal Analysis

Proposed CAMA Permit Fee Increases

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NC Division of Coastal
Management
252-553-5431

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Summary

Agency	DEQ, Division of Coastal Management (DCM) Coastal Resources Commission (CRC)
Title of the Proposed Rules	Permit Fees - 15A NCAC 07J .0204 (6)(A) and (6)(B), 15A NCAC 07J 0404(f), 15A NCAC 07J .0405(e), 15A NCAC 07J .0406(e) and 15A NCAC 07H .1103, .1203, .1303, .1403, .1503, .1903, .2003, .2103, .2203, .2403, .2503
Description of the Proposed Rules	Fees associated with various CAMA permits.
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Authority	G.S. 113A-107(a); 113A107(b); 113A-113(b);113A-118.1; 13A-124
Impact Summary	State government: Yes Local government: Yes Private citizens: Yes Substantial impact: No

Executive Summary

The proposed rule amendments increase fees for most Coastal Area Management Act (CAMA) permit actions, including increases for all general permits. These fees were last increased in 2006. No permit fee will be increased higher than the statutory maximum of \$400.

The Coastal Resources Commission (CRC) anticipates that the proposed fee increases will help the Division of Coastal Management (DCM) address funding issues related to increased operating costs, an increased demand for permitting and related activities, stagnant federal funding, and years of decreasing state appropriations. With these proposed fee increases, DCM will be better equipped to meet the increasing demands on its operating budget due to the rising cost of employee salaries, benefits, and other operating expenses. The increased fee collections will enable DCM to shift four FTE from federal back to state (receipt) funding. Reducing reliance on federal funds to cover salaries will help accomplish several goals: 1) better position DCM to fund future salary increases to keep up with inflation and meet the DEQ salary administration plan, 2) free up funds to cover rising operations expenses, and 3) free up federal funding for priority coastal management projects that will benefit coastal communities at large.

The proposed fee increases will provide an estimated additional \$380,050 to DCM, annually. Of the additional revenue, about 75% will be used to cover salaries and benefits for four FTEs in FY 2023-24 (increasing to nearly 100% by FY 2036-37). The remaining revenue will be used to cover associated operating costs for the four FTE based on the Standard Operating Cost for New FTEs.

The additional costs associated with the higher fees will be borne predominantly by the private sector (approximately \$372,700 per year), but also to a smaller degree by local government (approximately

\$6,900 per year) and state government (NCDOT, approximately \$450 per year). Local governments may also realize a benefit in the form of potential increased availability of funds for local coastal management projects.

Background

The Division of Coastal Management (DCM) is tasked with protecting, conserving, and managing North Carolina's coastal resources through an integrated program of planning, permitting, education and research. Among other state and federal programs, DCM carries out the state's Coastal Area Management Act (CAMA). In place since 1974, CAMA helps to protect North Carolina's coastal resources by guiding development in areas that border the state's sounds and oceanfront.

Since 1989, the Commission Resources Commission has had legislative authority under General Statute Section 113A-119.1 of CAMA to establish fees for various permit actions at a cost of up to \$400 per permit. Since this authority was granted in 1989, the Commission has adopted fee increases in 2000 and 2006, making the last permit fee increase over 16 years ago. As outlined below, the Commission is proposing fee increases for most CAMA permit actions, including increases for all general permits.

The Commission's permit fees are based on administrative and personnel cost, complexity of development as well as the maximum fee for any given permit, which is statutorily limited to \$400. This graduated fee schedule was originally adopted in 1989. Prior to 1989, most General Permits were free, Major Permits \$100. With an amendment to the CAMA, fees were set at \$50 for most General Permits, Major Permits were \$250, and there was a \$50 charge for Renewals, Modifications and Transfers. In 2000, fees essentially doubled and for the first time, a different fee was charged for private versus commercial development. This increase was attributed to adding staff and an increase in permit workload (56% increase from 1991-1998). State budget cuts from 2001-2005 saw a reduction in the Division's appropriations of \$300,000 which also contributed to the need for higher permit fees.

At that time, only fees for General Permits were increased, making it approximately 16 years since the Commission discussed raising permit fees. Also, since that time, state appropriations for the Division have declined an additional 32% and while federal funds supporting the Division have remained stagnant.

The Division of Coastal Management makes approximately 3,000 permit decisions per year, which include new permits, modifications, transfers and renewals. As the coastal population continues to grow, more properties are developed or re-developed at an ever-increasing density. Projects proposed in densely developed or marginal areas require increased staff time to review applications as well as increased interactions with adjacent property owners. A \$200 permit fee in March 2006, adjusted for inflation (based on the Bureau for Labor Statistics, Consumer Price Index), would be \$302.14 in March 2023. In addition, state appropriations for the Division of Coastal Management in 2007 totaled \$2.06M and supported 25 appropriated staff positions. In Fiscal Year 22-23, total state appropriations for DCM were \$1.46M and supported 14 positions. DCM has been encouraged to explore fee increases to offset this overall decrease in state appropriations. To maintain its essential workforce, DCM has had to shift a number of positions to federal funding.

In 2022, the Division of Coastal Management conducted a survey of local governments with delegated Minor Permitting programs and Local Permitting Officers on the issue of permit fees. Responses were

mixed, with some local governments in favor and some opposed to an increase. Given the degree of inflation over the past few years, the Division recently revisited the issue via communication with Local Permitting Officers and received similar mixed results. Given that the Division directly issues approximately 350 Minor Permits annually (rather than through a delegated local program), the Commission is proposing to increase fees for DCM-issued Minor Permits. With these proposed fee increases, the Commission believes that the Division of Coastal Management will be able to maintain its current level of service and meet ongoing increased demands on its operating budget.

DCM anticipates the effective date of these rule amendments to be January 1, 2024.

Proposed Fee and Rule Changes

The Division of Coastal Management issues 12 different General Permits and 6 Major Permit actions that would be affected by the proposed fee increases (listed below).

Table 1. Current and Proposed CAMA Permit Fees

Rule #	Permit Type	Current Fee (\$)	Proposed Fee (\$)
7H.1103	GP at or above NHW/NWL GP below NHW/NWL*	\$200 \$400	\$400 \$400
7H.1203	GP Docks, Piers, Boatlifts, Boathouses	\$200	\$400
7H.1303	GP Boat Ramps	\$200	\$400
7H.1403	GP Wooden or Riprap Groins	\$200	\$400
7H.1503	GP Excavation (maintenance) up to 100 cy GP Excavation (maintenance) 101-1000 cy*	\$200 \$400	\$400 \$400
7H .1603	GP Aerial and Subaqueous Utility Lines*	\$400	\$400
7H .1703	GP Dredge and Fill*	\$400	\$400
7H .1803	GP Beach Bulldozing*	\$400	\$400
7H.1903	GP Temporary Structures	\$200	\$400
7H.2003	GP Reconfiguration	\$200	\$400
7H.2103	GP for Sheetpile Sill for Shoreline Protection	\$200	\$400
7H.2203	GP Freestanding Moorings	\$200	\$400
7H .2303	GP Bridge and Culvert Replacement*	\$400	\$400
7H.2403	GP for Riprap Revetments for Wetland Protection	\$200	\$400
7H.2503	GP Emergency (waived by rule, for recordkeeping)	\$200	\$400
7H .2603	GP for Construction of Mitigation Projects*	\$400	\$400
7H.2703	GP for Marsh Sills	\$200	\$400
7J.0204 (6)(A)	Major Permit Fee (private, non-commercial)	\$250	\$400
7J.0204 (6)(A)	Major Permit Fee (public, commercial)*	\$400	\$400
7J.0204 (6)(B)	Minor Permit Fee (DCM Issued)	\$100	\$200
7J.0404(f)	Major Permit Renewal	\$100	\$200
7J.0405(e)	Minor Modification to Major Permit	\$100	\$200

	Major Modification to Major Permit	\$250	\$400
7J.0406(e)	Major Permit Transfer	\$100	\$400
	Minor and General Permit Transfers	\$100	\$200

* No increase is proposed for this permit. Permit included in table for completeness.

Statement of Need

The proposed fee increases are necessary to meet DCM’s goal to reduce the number of salaried positions that rely on federal funding. This would better position DCM to fund future salary increases. Salary increases are necessary to keep pace with inflation and improve employee retention in alignment with DEQ’s salary administration plan. The fee increases would also free up funds to help cover rising operations expenses and restore the availability of some federal funds for priority coastal management projects.

It has been over 16 years since these particular permit fees were last increased. Since that time, significant cuts in state appropriations have required DCM to increasingly shift positions from state to federal funding sources. During that time, federal funding has been largely stagnant. As a result, DCM has severely limited federal funds to meet future salary increases for its federally-funded positions.

DCM is funded by state general fund appropriations, federal grants (NOAA congressional appropriations), and permit fees (receipts). Table 2 contains a breakdown of agency revenue by source and expenses by category.

Table 2: DCM Revenue and Expenses by Category over Time

Revenue Source	FY2006-07	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24 <i>projected, w/o fee increase</i>
Federal	\$2.08M	\$2.36M	\$2.38M	\$2.45M	\$2.50M	\$2.52M	\$2.65M
State Appropriations	\$2.02M	\$1.06M	\$1.09M	\$1.10M	\$1.26M	\$1.40M	\$1.43M
Receipts	\$0.83M	\$0.56M	\$0.68M	\$0.93M	\$0.91M	\$0.85M	\$0.80M
Total Revenue	\$4.93M	\$3.98M	\$4.15M	\$4.48M	\$4.67M	\$4.77M	\$4.88M
Expense Category	FY2006-2007	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24 <i>projected, w/o fee increase</i>
Personnel (Salary/Fringe)	\$2.80M	\$2.74M	\$2.75M	\$2.98M	\$3.38M	\$3.58M	\$3.67M
Operating Costs (non-personnel)	\$1.07M	\$0.88M	\$0.80M	\$1.01M	\$1.07M	\$1.27M	\$1.21M
Operating Reserve	\$1.05M	\$0.35M	\$0.60M	\$0.49M	\$0.02M	\$0	\$0
Total Expenses	\$4.92M	\$3.97M	\$4.15M	\$4.48M	\$4.47M	\$4.85M	\$4.88M

Table 3 shows the relative percentages of expenses that are covered by federal funding by year. There is a clear trend of shifting funding for personnel more and more to federal sources. This increasing reliance on federal funding is unsustainable as federal funding sources are likely to remain stagnant and future pay increases for federally-funded positions to keep up with legislative increases will put an increasing burden on DCM’s budget.

Table 3: Percent Federal Fund Expenditures by Category over Time

Expense Category	FY2006-07	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24 <i>projected, w/o fee increase</i>
Personnel (Salary/Fringe)	63%	61%	65%	71%	77%	77%	77%
Operating Costs (non-personnel)	16%	23%	17%	11%	14%	13%	13%
Operating Reserve	21%	16%	18%	18%	9%	10%	10%
Total %	100%	100%	100%	100%	100%	100%	100%

The following is a breakdown of DCM’s full-time staffing levels by funding source:

Table 4: Number of Full-Time Employees in DCM by Funding Source over Time

	FY2006-07	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24 <i>projected, w/o fee increase</i>
No. FTEs on Federal Funding	25	19.02	20.49	21.43	22.78	22.78	22.78
No. FTEs on Appropriations	23	9.02	9.02	8.95	11.95	11.95	11.95
No. FTEs on Receipt Funding	7	7.60	7.54	7.40	7.40	7.40	7.40
Total FTEs	55	35.64	37.05	37.78	42.13	42.13	42.13

There have been increased costs borne by the agency that, annually, may seem insignificant but have a cumulative effect over time. Personnel costs have increased over time due to legislatively mandated increases in salary and fringe accounts. Operational costs for things such as mileage/gas, telecommunication, office supplies, equipment, and utilities have also increased over time. Table 5 summarizes the difference in expenses realized in 2006 (the last year these permit fees were increased) and the expenses recorded as of June 2023.

Table 5: DCM Personnel and Operating Costs in FY2006-07 and FY2022-23

Expense Category	FY2006-07	FY2022-23	Difference
Personnel Costs (Salary/Fringe)	\$2.8M	\$3.58M	+\$0.78M
Operating Costs (Non-Personnel)	\$1.07M	\$1.27M	+\$0.20M

Goals

Shift funding of 4 positions from federal funds to receipts

DCM’s goal is to shift the funding for four FTE positions from federal funding back to state funding (receipts). This goal aligns with DEQ’s salary administration plan. In the first full fiscal year (FY2024-25), this will require a total of approximately \$294,633 in salary/fringe. Table 6 shows the projected revenue that will be generated by the fee increases as compared to the revenue that would be needed to fund 4 positions with receipts. Assuming a 2% annual legislative increase, the additional receipt revenue generated by the proposed fee increases should be able to fully fund four FTEs through FY2036-37.

Table 6: Receipt revenue needed to fund 4 FTEs

	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2036-37
Receipt revenue generated by fee increases	\$190,025	\$380,050	\$380,050	\$380,050	\$380,050	\$380,050
Receipt revenue needed to fund 4 FTEs*	\$147,317	\$294,633	\$300,526	\$306,537	\$312,668	\$373,666
Difference	\$42,708	\$85,417	\$79,524	\$73,513	\$67,382	\$6,384

**Total FTE salary/benefit based on current salaries of positions we would shift to receipts. A 2% legislative increase was applied annually.*

Fund future salary increases

The proposed fee increases will put DCM in a better position to fund future salary increases to keep up with inflation as well as to meet the DEQ salary administration plan. The primary goal of the salary administration plan is to improve employee recruitment and retention. It is expected that a portion of the federal funds that will be freed up by shifting four FTEs to receipt funds will be available for raising pay for both current and future employees.

Restore availability of funds for priority coastal management projects

Because the federal funding is currently being used almost entirely for staff salaries, funding for other

congressional and state priorities in support of local coastal management projects through the State’s coastal program is unavailable. By increasing CAMA permit fees, the agency will be able to shift some positions from federal funding back to state (receipt) funding, potentially freeing up a significant portion of federal funding for priority coastal management projects. Table 7 shows the funds that have been granted to local governments for coastal projects over time. Note there is a high degree of variability from year to year. The amount of funds available for these projects is determined at the end of each fiscal year based on lapsed salary and unexpended travel and supplies budget. In general, the trend has been that funds are becoming less available for projects despite increasing demand.

Table 7: Coastal Management Projects Funding by Year

FY2006-07	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23
\$584,993	\$75,000	\$0	\$0	\$171,000	\$0

DCM’s goal is to make available as much funding as possible for future projects.

Anticipated Impacts

During the 2022 calendar year, which DCM believes represents a typical year of permitting activity for the foreseeable future, DCM took 2,161 permit actions (permits, modifications, transfers, renewals). The table below shows the breakdown of permits issued by permit type. It also summarizes the potential impacts of the proposed fee increases on entities subject to the fees (NCDOT, local governments, private entities).

Table 8. Projected CAMA Permit Fee Revenue by Permit Type, Impacted Party (based on Calendar Year 2022 permitting data)

Permit Type/Permit Action	# Issued CY22	Current Fee CY22	Amount of Fees Collected CY22	Proposed Fee Rate	Revenue Generated After Fee Increase	Difference	NCDOT Impact	Local Gov't Impact	Private Impact
General Permits	1,613	\$200	\$322,600	\$400	\$645,200	\$322,600	\$0	\$4,400	\$318,200
General Permits (culvert)*	5	\$400	\$2,000	\$400	\$2,000	\$0	\$0	\$0	\$0
Minor Permits	350	\$100	\$35,000	\$200	\$70,000	\$35,000	\$0	\$500	\$34,500
Major Permits (private)	59	\$250	\$14,750	\$400	\$23,600	\$8,850	\$0	\$0	\$8,850
Major Permits (public)*	6	\$400	\$2,400	\$400	\$2,400	\$0	\$0	\$0	\$0

Major Modifications	16	\$250	\$4,000	\$400	\$6,400	\$2,400	\$150	\$1,200	\$1,050
Minor Modifications	43	\$100	\$4,300	\$200	\$8,600	\$4,300	\$300	\$800	\$3,200
Transfers	13	\$100	\$1,300	\$200-\$400	\$2,600	\$1,300	\$0	\$0	\$1,300
Renewals	56	\$100	\$5,600	\$200	\$11,200	\$5,600	\$0	\$0	\$5,600
	2,161	Total Before	\$391,950	Total After	\$772,000	\$380,050	\$450	\$6,900	\$372,700

*Fee not increasing. Data included in the table for completeness.

Under the proposed fee schedule, the Division expects to see an overall \$380,050 increase in annual revenue.

Private Property Owners

During 2022, 59 Major Permits, 1,591 General Permits, 345 Minor Permits, 7 major modifications, 32 minor modifications, 13 transfers and 56 renewals were issued to private property owners. Since Major Permits for commercial purposes are already at the maximum of \$400, they are not included in this analysis.

The Division issued 59 Major Permits for private/non-commercial purposes (\$250) and the proposed fee increase ($150 \times 59 = \$8,850$) will result in a \$8,850 impact to private property owners. The proposed increase in General Permit fees ($200 \times 1,591 = \$318,200$) will result in a \$318,200 impact to private property owners. The proposed fee increase in Minor Permits ($100 \times 345 = \$34,500$) will result in a \$34,500 impact to private property owners. The proposed increase in minor modification ($32 \times 100 = \$3,200$) will result in a \$3,200 impact to private property owners. The proposed impacts in major modifications ($7 \times 150 = \$1,050$) will result in a \$1,050 impact to private property owners. The proposed increase in transfers ($13 \times 100 = \$1,300$, assumes all will be minor) will result in a \$1,300 impact to property owners. The proposed increase in renewals $56 \times 100 = \$5,600$) will result in a \$5,600 impact to private property owners.

The total impact due to the fee increases on private property owners is estimated to be \$372,700 based on calendar year 2022 permit applications.

In 2022, the Division of Coastal Management conducted a survey of local governments with delegated Minor Permitting programs and Local Permitting Officers on the issue of permit fees. Responses were mixed, with some local governments in favor and some opposed to an increase. Given the degree of inflation over the past few years, the Division recently revisited the issue via communication with Local Permitting Officers and received similar mixed results. Given that the Division directly issues approximately 350 Minor Permits annually (rather than through a delegated local program), the Commission is proposing to increase fees for DCM-issued Minor Permits and not for those issued by local government to private property owners (local governments cannot issue Minor Permits to themselves).

Department of Transportation

During 2022, no Major permits were issued to NCDOT, however NCDOT typically receives approximately two Major Permits per year and almost invariably, these permits cost \$400, so there is not

expected to be an increase in Major Permit fees to NCDOT. NCDOT typically applies for approximately five General Permits per year, mostly for culvert replacement which has a \$400 fee, so there is not expected to be an increase in General Permit fees to NCDOT. NCDOT does not apply for Minor Permits. During 2022, NCDOT applied for three minor modifications (3 x \$100 increase = \$300) and one major modification (\$150 increase) which is considered typical. The fiscal impact to NCDOT under this scenario is therefore estimated to be \$450 per year.

Pursuant to G.S. 150B-21.4, the agency reports that the proposed amendments associated with the proposed permit fee increase is expected to be minimal and will not significantly affect environmental permitting for the NC Department of Transportation (NCDOT).

Local Government

The Division issued local governments 6 Major Permits, 22 General Permits, 5 Minor permits, 8 major modifications and 8 minor modifications during the 2022 calendar year which is considered typical. The Major Permits were already at the maximum of \$400 so there will be no impact to local governments associated with these permits. Since the permit fee for General Permits issued to local governments varies between \$200-\$400, the assumption for this analysis is that all future general permits will be at the maximum of \$400 (22 x \$200 = \$4,400), making the maximum impact to local governments from the increase in General Permits \$4,400. The increase in Minor Permits (5 x \$100 = \$500) will result in \$500 impact to local governments associated with these permits. The increase in fees for minor modifications (8 x \$100 = \$800) will result in a \$800 impact and the increase in fees for major modifications (8 x \$150 = \$1,200) will result in a \$1,200 impact. Based on the 2022 calendar year, the total maximum anticipated impact on local governments from the proposed fee increases is estimated at \$6,900 per year.

Local governments could also potentially benefit from the proposed fee increases in that they could receive funding for local coastal management projects. The amount of funding available for these projects is highly variable; as such, the exact amount cannot be estimated. However, the proposed fee increases will free up federal funds, some of which could potentially then be available to fund local projects.

Division of Coastal Management

Under the proposed fee schedule, the Division expects to see an estimated \$380,050 increase in revenue per year (see Table 8). It is estimated that at least 75% of the increased fee revenue will be used to fund positions shifted from federal funds to receipts beginning in FY2023-24. By FY 2036-37, it is estimated that almost 100% will be used to fund these positions.

Uncertainties and Assumptions

The actual costs and savings realized as a result of the proposed fee increases will be variable from year to year based on a number of factors:

- The number and type of permits issued. Based on trends over the past several years, DCM expects the number of applications to remain relatively consistent in the coming years. Perhaps the largest unknown is the effect a recession would have on permit numbers. Based on past trends, it is reasonable to expect

that if a recession were to occur, the number of major permits would decline while the number of minor permits (for things like docks, piers) would remain relatively stable. This would decrease the total revenue from general permit fees relative to the projections.

- There is currently a pending rulemaking that will extend the renewal time period for some general permits. This could result in lower total fee collections (estimated up to \$43,500 per year). If this were to occur, it would further underscore the need for the proposed fee increases.
- Salary/fringe increases have been conservatively estimated at approximately 2% per annum based on the prior history of legislative increases. This amount may be higher or lower in future years.

COST/BENEFIT SUMMARY

The proposed fee schedule increase will have the following annual impacts:

Private Property Owners:	\$372,700 (cost from higher permit fees)
Local Government:	\$6,900 (cost from higher permit fees); unknown, variable \$ (potential benefit from coastal project funding)
NC Dept of Transportation:	\$450 (cost from higher permit fees)
Division of Coastal Management:	\$380,050 (increase in receipts)

With these proposed fee increases, DCM will be better equipped to meet the increasing demands on its operating budget due to the rising cost of employee salaries, benefits, and other operating expenses. The increased fee collections will enable DCM to shift four positions from federal back to state (receipt) funding. Reducing reliance on federal funds to cover salaries will help accomplish several goals: 1) better position DCM to fund future salary increases for federally-funded positions to keep up with inflation and meet the DEQ salary administration plan, 2) free up funds to cover rising operations expenses, and 3) free up federal funding for priority coastal management projects that will benefit coastal communities at large.

15A NCAC 07H .1103 PERMIT FEE

The applicant shall pay a permit fee of ~~two hundred dollars (\$200.00) for riprap revetments sited at or above normal high water or normal water level, or a permit fee of four hundred dollars (\$400.00) for riprap revetments, revetments sited below normal high water or normal water level.~~ The applicant shall pay a permit fee of four hundred dollars (\$400.00) for bulkheads. Permit fees shall be paid by check or money order payable to the Department.

History Note: Authority G.S. 113A-107; 113A-113(b); 113A-118.1; 113A-119; 113-119.1; 113A-124; 113-229; Eff. March 1, 1984; Amended Eff. October 5, 2009; September 1, 2006; August 1, 2000; March 1, 1991; Readopted Eff. April 1, 2022.

15A NCAC 07H .1203 PERMIT FEE

The applicant shall pay a permit fee of **four** ~~two~~ hundred dollars ~~(\$400.00)~~ **(\$200.00)**-by check or money order payable to the Department.

*History Note: Authority G.S. 113A-107; 113A-113(b); 113A-118.1; 113A-119; 113-119.1; 113A-124;
Eff. March 1, 1984;
Amended Eff. September 1, 2006; August 1, 2000; March 1, 1991;
Readopted Eff. December 1, 2021.*

15A NCAC 07H .1303 PERMIT FEE

The applicant shall pay a permit fee of **four** ~~two~~ hundred dollars ~~(\$400.00)~~ **(\$200.00)** by check or money order payable to the Department of Environmental Quality.

*History Note: Authority G.S. 113A-107; 113A-113(b); 113A-118.1; 113A-119; 113A-119.1; 113A-124;
Eff. March 1, 1984;
Amended Eff. September 1, 2006; August 1, 2000; March 1, 1991;
Readopted Eff. October 1, 2022.*

15A NCAC 07H .1403 PERMIT FEE

The applicant shall pay a permit fee of **four** ~~two~~ hundred dollars ~~(\$400.00)~~ **(\$200.00)** by check or money order payable to the Department of Environmental Quality.

*History Note: Authority G.S. 113A-107; 113A-113(b); 113A-118.1; 113A-119; 113A-119.1; 113A-124;
Eff. March 1, 1984;
Amended Eff. September 1, 2006; August 1, 2000; March 1, 1991;
Readopted Eff. October 1, 2022.*

15A NCAC 07H .1503 APPLICATION FEE

The applicant shall pay a permit fee of ~~two hundred dollars (\$200.00) for maintenance excavation of 100 cubic yards or less or~~ four hundred dollars (\$400.00) for maintenance excavation of ~~100 up~~ to 1,000 cubic yards. Permit fees shall be paid by check or money order payable to the Department of Environmental Quality.

*History Note: Authority G.S. 113A-107; 113A-113(b); 113A-118.1; 113A-119; 113A-119.1; 113A-124;
Eff. July 1, 1984;
Amended Eff. September 1, 2006; August 1, 2000; March 1, 1991;
Readopted Eff. October 1, 2022.*

15A NCAC 07H .1903 PERMIT FEE

The applicant shall pay a permit fee of **four** ~~two~~ hundred dollars ~~(\$400.00)~~ **(\$200.00)** by check or money order payable to the Department.

*History Note: Authority G.S. 113-229(c1); 113A-107; 113A-113(b); 113A-118.1; 113A-119; 113A-119.1;
Eff. March 1, 1989;
Amended Eff. September 1, 2006; August 1, 2000; March 1, 1991;
Readopted Eff. July 1, 2022.*

15A NCAC 07H .2003 PERMIT FEE

The applicant shall pay a permit fee of **four** ~~two~~ hundred dollars ~~(\$400.00)~~ **(\$200.00)** by check or money order payable to the Department of Environmental Quality.

*History Note: Authority G.S. 113A-107; 113A-118.1; 113A-119.1;
Eff. October 1, 1993;
Amended Eff. September 1, 2006; August 1, 2000;
Readopted Eff. October 1, 2022.*

15A NCAC 07H .2103 PERMIT FEE

The applicant shall pay a permit fee of **four** ~~two~~ hundred dollars ~~(\$400.00).~~ **(\$200.00)**. This fee shall be paid by check or money order made payable to the Department of Environmental Quality.

*History Note: Authority G.S. 113A-107; 113A-118.1; 113A-119.1;
Eff. June 1, 1994;
Amended Eff. September 1, 2006; August 1, 2000;
Readopted Eff. October 1, 2022.*

15A NCAC 07H .2203 PERMIT FEE

The applicant shall pay a permit fee of **four** **two** hundred dollars ~~(\$400.00)~~ ~~(\$200.00)~~. This fee shall be paid by check or money order made payable to the Department of Environmental Quality.

*History Note: Authority G.S. 113A-107; 113A-118.1; 113A-119; 113A-119.1;
Eff. February 1, 1996;
Amended Eff. September 1, 2006; August 1, 2000;
Readopted Eff. October 1, 2022.*

15A NCAC 07H .2403 PERMIT FEE

The applicant shall pay a permit fee of **four** **two** hundred dollars ~~(\$400.00)~~ ~~(\$200.00)~~. This fee shall be paid by check or money order made payable to the Department of Environmental Quality.

*History Note: Authority G.S. 113A-107; 113A-118.1; 113A-119.1;
Eff. August 1, 2000;
Amended Eff. September 1, 2006;
Readopted Eff. October 1, 2022.*

15A NCAC 07H .2503 PERMIT FEE

The standard permit fee of **four** ~~two~~-hundred dollars ~~(\$400.00)~~ ~~(\$200.00)~~-has been waived for this General Permit.

History Note: Authority G.S. 113A-107; 113A-118.1;
Temporary Adoption Eff. October 2, 1999;
Temporary Adoption Expired on July 28, 2000;
Eff. April 1, 2001;
Amended Eff. September 1, 2006;
Readopted Eff. July 1, 2022.

15A NCAC 07H .2703 PERMIT FEE

The applicant shall pay a permit fee of **four** ~~two~~ hundred dollars ~~(\$400.00).~~ **(\$200.00)**. This fee shall be paid by check or money order made payable to the Department of Environmental Quality.

*History Note: Authority G.S. 113A-107; 113A-118.1; 113A-119.1;
Temporary Adoption Eff. June 15, 2004;
Eff. April 1, 2005;
Amended Eff. September 1, 2006;
Readopted Eff. October 1, 2022.*

15A NCAC 07J .0204 PROCESSING THE APPLICATION

(a) On receipt of a CAMA major development and/or dredge and fill permit application by the Department, a letter shall be sent to the applicant acknowledging receipt.

(b) Application processing shall begin when an application is accepted as complete. Before an application will be accepted as complete, the following requirements must be met;

- (1) a current application form must be submitted;
- (2) all questions on the application form must be completed or the letters "N/A" must be placed in each section that does not apply;
- (3) an accurate work plan as described in 15A NCAC 7J .0203 herein must be attached to all CAMA major development and/or dredge and fill permit applications;
- (4) a copy of a deed or other instrument under which the applicant claims title must accompany a CAMA major development and/or dredge and fill permit application;
- (5) notice to adjacent riparian landowners must be given as follows:
 - (A) Certified return mail receipts (or copies thereof) indicating that adjacent riparian landowners (as identified in the permit application) have been sent a copy of the application for the proposed development must be included in a CAMA major development and/or dredge and fill permit application. Said landowners have 30 days from the date of notification in which to comment. Such comments will be considered by the Department in reaching a final decision on the application.
 - (B) For CAMA minor development permits, the applicant must give actual notice of his intention to develop his property and apply for a CAMA minor development permit to all adjacent riparian landowners. Actual notice can be given by sending a certified letter, informing the adjoining property owner in person or by telephone, or by using any other method which satisfies the Local Permit Officers that a good faith effort has been made to provide the required notice;
- (6) the application fee must be paid as set out in this Subparagraph:
 - (A) Major development permit - Application fees shall be in the form of a check or money order payable to the Department. ~~The application fee for private, non-commercial development shall be two hundred fifty dollars (\$250.00).~~ The application fee ~~for a public or commercial project~~ shall be four hundred dollars (\$400.00).
 - (B) Minor development permit - Application fees shall be in the form of a check or money order payable to the permit-letting agency in the amount of one hundred dollars ~~(\$100.00)~~ (\$100) if issued by a local government participating in the local implementation and enforcement program, and four hundred dollars (\$400.00) if issued directly by the Division of Coastal Management. Monies so collected may be used only in the administration of the permit program;
- (7) any other information the Department or local permit officer deems necessary for a review of the application must be provided. Any application not in compliance with these requirements will be returned to the applicant along with a cover letter explaining the deficiencies of the application and will not be considered accepted until it is resubmitted and determined to be complete and sufficient. If a local permit officer receives an application for a permit that the local permit officer lacks authority to grant, the permit officer shall return the application with information as to how the application may be properly considered; and
- (8) for development proposals subject to review under the North Carolina Environmental Policy Act (NCEPA), G.S. 113A-100 et. seq., the permit application will be complete only on submission of the appropriate environmental assessment document.

(c) Upon acceptance of a major development and/or dredge and fill permit as complete, the Department shall send a letter to the applicant setting forth the data on which acceptance was made.

(d) If the application is found to be incomplete or inaccurate after processing has begun or if additional information from the applicant is necessary to adequately assess the project, the processing shall be terminated pending receipt of the necessary changes or necessary information from the applicant. During the pendency of any termination of processing, the permit processing period shall not run. If the changes or additional information significantly alters the project proposal, the application shall be considered new and the permit processing period will begin to run from that date.

(e) Any violation occurring at a proposed project site for which an application is being reviewed shall be processed according to the procedures in 15A NCAC 7J .0408 - 0410. If the violation substantially altered the proposed project site, and restoration is deemed necessary, the applicant shall be notified that processing of the application will be

suspended pending compliance with the notice of required restoration. Satisfactory restoration of any unauthorized development that has substantially altered a project site is deemed necessary to allow a complete review of the application and an accurate assessment of the project's potential impacts. The applicant shall be notified that permit processing has resumed, and that a new processing deadline has been established once the required restoration has been deemed satisfactory by the Division of Coastal Management or Local Permit Officer.

(f) If during the public comment period a question is raised as to public rights of access across the subject property, the Division of Coastal Management shall examine the access issue prior to making a permit decision. Any individual or governmental entity initiating action to judicially recognize a public right of access must obtain a court order to suspend processing of the permit application. Should the parties to legal action resolve the issue, permit processing shall continue.

*History Note: Authority G.S. 113-229; 113A-119; 113A-119.1; 113A-122(c); 113A-124;
Eff. March 15, 1978;
Amended Eff. November 1, 1991; March 1, 1991; July 1, 1990; July 1, 1989;
Temporary Amendment Eff. September 2, 1998;
Temporary Amendment Expired June 28, 1999;
Amended Eff. August 1, 2000.*

15A NCAC 07J .0404 DEVELOPMENT PERIOD EXTENSION

(a) For CAMA minor permits authorizing beach bulldozing, the permit holder is entitled to request a one-time 30-day permit extension. No additional extensions shall be granted after the 30-day extension has expired. Notwithstanding this Paragraph, the permit holder is eligible to apply for another minor permit authorizing beach bulldozing following expiration of the 30-day permit extension.

(b) All other CAMA permits may be extended where substantial development, either within or outside the AEC, has begun or is continuing. The permitting authority shall grant as many two-year extensions as necessary to complete the initial development, with the exception that multi-phased beach nourishment projects may be granted ten-year extensions to allow for continuing project implementation. Renewals for maintenance of previously approved dredging projects may be granted for periods not to exceed five years. For the purpose of this Rule, substantial development shall be deemed to have occurred on a project if the permit holder can show that development has progressed beyond basic site preparation, such as land clearing and grading, and construction has begun and is continuing on the primary structure or structures authorized under the permit. For elevated structures in Ocean Hazard Areas, substantial development begins with the placement of foundation pilings, and proof of the local building inspector's certification that the installed pilings have passed a floor and foundation inspection. For residential subdivisions, installation of subdivision roads consistent with an approved subdivision plat shall constitute substantial development.

(c) To request an extension pursuant to Paragraphs (a) and (b) of this Rule, the permit holder shall submit a signed and dated request containing the following:

- (1) a statement of the completed and remaining work;
- (2) a statement that there has been no change of plans since the issuance of the original permit other than changes that would have the effect of reducing the scope of the project, or previously approved permit modifications;
- (3) notice of any change in ownership of the property to be developed and a request for transfer of the permit; and
- (4) a statement that the project is in compliance with all conditions of the current permit.

(d) For extension requests where substantial development has not occurred in accordance with Paragraph (b) of this Rule, the Division of Coastal Management may circulate the request to the commenting State resource agencies along with a copy of the original permit application. Commenting State resource agencies will be given 30 days in which to comment on the extension request. Upon the expiration of the commenting period the Division of Coastal Management will notify the permit holder of its actions on the extension request.

(e) Notwithstanding Paragraphs (b) and (d) of this Rule, an extension request may be denied on making findings as required in either G.S. 113A-120 or G.S. 113-229(e). Changes in circumstances or in development standards shall be considered and applied by the Division of Coastal Management in making a decision on an extension request.

(f) The applicant for a major development extension request shall submit, with the request, a check or money order payable to the Department in the sum of **four one** hundred dollars (\$400.00) ~~(\$100.00).~~

History Note: Authority G.S. 113A-119; 113A-119.1; 113A-120; 113A-124(c)(8); 113-229(e);
Eff. March 15, 1978;
Amended Eff. August 1, 2002; August 1, 2000; April 1, 1995; March 1, 1991; March 1, 1985;
November 1, 1984;
Readopted Eff. August 1, 2021;
Amended Eff. August 1, 2022.

15A NCAC 07J .0405 PERMIT MODIFICATION

(a) A permit holder may modify their permitted major development and/or dredge and fill project only after approval by the Division of Coastal Management. In order to modify a permitted project the permit holder shall make a written request to the Division of Coastal Management showing the proposed modifications. Minor modifications may be shown on the existing approved application and plat. Modification requests which, in the opinion of the Division of Coastal Management are major shall require a new application. Modification requests are subject to the same processing procedure applicable to original permit applications. A permit need not be circulated to all agencies commenting on the original application if the Commission determines that the modification is so minor that circulation would serve no purpose.

(b) Modifications to a permitted project that are imposed or made at the request of the U.S. Army Corps of Engineers or other federal agencies shall be approved by the Division of Coastal Management under provisions of this Rule dealing with permit modification procedures.

(c) Modifications of projects for the benefit of private waterfront property owners that meet the following criteria shall be considered minor modifications and shall not require a new permit application, but shall be approved under the provisions of Paragraph (a) of this Rule:

- (1) for bulkheads:
 - (A) bulkhead shall be positioned so as not to extend more than an average distance of two feet waterward of the mean high water and in no place shall the bulkhead be more than five feet waterward of the mean high water contour;
 - (B) all backfill must come from an upland source;
 - (C) no marsh area may be excavated or filled;
 - (D) work must be undertaken because of the necessity to prevent loss of private residential property due to erosion;
 - (E) the bulkhead must be constructed prior to any backfilling activities;
 - (F) the bulkhead must be constructed so as to prevent seepages of backfill materials through the bulkhead; and
 - (G) the bulkhead may not be constructed in the Ocean Hazard AEC;
- (2) for piers, docks and boathouses:
 - (A) the modification or addition shall not be within 150 feet of the edge of a federally-maintained channel;
 - (B) the structure, as modified, must be 200 feet or less in total length offshore;
 - (C) the structure, as modified, must not extend past the four feet mean low water contour line (four feet depth at mean low water) of the waterbody;
 - (D) the project as modified, must not exceed six feet in width;
 - (E) the modification or addition must not include an enclosed structure; and
 - (F) the project shall continue to be used for private, residential purposes;
- (3) for boatramps:
 - (A) the project, as modified, shall not exceed 10 feet in width and 20 feet offshore; and
 - (B) the project shall continue to be used for private, residential purposes.

(d) An applicant may modify his permitted minor development project only after approval by the local permit-letting authority. In order to modify a permitted project the applicant must make a written request to the local minor permit-letting authority showing in detail the proposed modifications. The request shall be reviewed in consultation with the appropriate Division of Coastal Management field consultant and granted if all of the following provisions are met:

- (1) the size of the project is expanded less than 20 percent of the size of the originally permitted project;
- (2) a signed, written statement is obtained from all adjacent riparian property owners indicating they have no objections to the proposed modifications;
- (3) the proposed modifications are consistent with all local, State, and federal standards and local Land Use Plans in effect at the time of the modification requests; and
- (4) the type or nature of development is not changed.

Failure to meet this Paragraph shall necessitate the submission of a new permit application.

(e) The applicant for a major permit modification shall submit with the request a check or money order payable to the Department in the sum of **two one hundred fifty** dollars (\$250.00) ~~(\$100.00)~~ for a minor modification and **four two hundred fifty** dollars ~~(\$400.00)~~ ~~(\$250.00)~~ for a major modification.

*History Note: Authority G.S. 113A-119; 113A-119.1; 113-229;
Eff. March 15, 1978;
Amended Eff. August 1, 2000; March 1, 1991; August 1, 1986; November 1, 1984;
Readopted Eff. August 1, 2021.*

15A NCAC 07J .0406 PERMIT ISSUANCE AND TRANSFER

- (a) Upon the approval of an application and the issuance of the permit, the permit shall be delivered to the applicant, or to any person designated by the applicant to receive the permit, by hand, first class mail or any means.
- (b) Anyone holding a permit shall not assign, transfer, sell, or otherwise dispose of a permit to a third party, unless approval is granted by the Director of the Division of Coastal Management pursuant to Paragraph (c) of this Rule.
- (c) A permit may be transferred to a new party at the discretion of the Director of the Division of Coastal Management upon finding each of the following:
 - (1) a written request from the new owner or developer of the involved properties;
 - (2) a deed, a sale, lease, or option to the proposed new party showing the proposed new party as having the sole legal right to develop the project;
 - (3) that the applicant transferee will use the permit for the purposes for which it was issued;
 - (4) no change in conditions, circumstances, or facts affecting the project;
 - (5) no change or modification of the project as proposed in the original application.
- (d) A person aggrieved by a decision of the Director as to the transfer of a permit may request a declaratory ruling by the Coastal Resources Commission as per 15A NCAC 07J .0600.
- (e) The applicant for a permit transfer shall submit with the request a check or money order payable to the Department in the sum of **four one** hundred dollars **(\$400.00), (\$100.00)**.

History Note: Authority G.S. 113A-118(c); 113A-119(a); 113A-119.1; 113A-124(c)(8);
Eff. March 15, 1978;
Amended Eff. August 1, 2000; March 1, 1991; March 1, 1990; October 15, 1981;
Readopted Eff. June 1, 2021.