15A NCAC 03K .0111 is proposed for repeal through readoption as follows:

15A NCAC 03K .0111 PERMITS TO USE MECHANICAL METHODS FOR SHELLFISH ON SHELLFISH LEASES OR FRANCHISES

(a) Permits to Use Mechanical Methods for Shellfish on Shellfish Leases or Franchises shall be issued in compliance with the general rules governing all permits in 15A NCAC 03O .0500. The procedures and requirements for obtaining permits are found in 15A NCAC 03O .0501.

(b) It is unlawful to harvest shellfish by the use of mechanical methods from shellfish leases or franchises without first obtaining a Permit to Use Mechanical Methods for Shellfish on Shellfish Leases or Franchises.

History Note: Authority G.S. 113-134; 113-169.1; 113-182; 143B-289.52;
Eff. May 1, 2015;
Repealed Eff. (Pending legislative review of 15A NCAC 03O .0211).
15A NCAC 03O .0203 is proposed for readoption with substantive changes as follows:

### 15A NCAC 03O .0203 SHELLFISH LEASE APPLICATION PROCESSING

(a) Upon acceptance of a completed application, the proposed shellfish lease area shall be inspected by agents of the Division. Proposed shellfish lease areas inconsistent with applicable standards contained or referenced in Rule .0201 of this Section shall result in the return of applications for amendment to remove the inconsistencies. If the boundaries of the proposed shellfish lease area are modified, the stakes identifying such areas shall be relocated accordingly by the applicant or applicants. The failure of the applicant or applicants to amend applications or modify the shellfish lease area identification, when required, within 30 days of notification shall result in denial of such applications.

(b) If the initial or amended shellfish lease application is deemed consistent with all applicable requirements, the Secretary or his designee shall notify the applicant and publish notices of intention to lease in accordance with the standards in G.S. 113-202(f).

(c) The Secretary shall consider the shellfish lease application, the Division's proposed lease area analysis, and public comments, and may in his discretion lease or decline to lease the proposed lease area or any part thereof. Special conditions may be imposed so that shellfish leases may be issued which would otherwise be denied. Should an applicant decide not to accept any special condition imposed on the shellfish lease by the Secretary, the application shall be considered denied.

(d) Upon approval of a shellfish lease by the Secretary, the applicant or applicants shall mark the shellfish bottom lease in accordance with Rule .0204 of this Section within 30 days of approval, water column leases in accordance with 15A NCAC 3O .0204(a)(2), and shall within 90 days submit to the Division acceptable surveys of the areas approved for leasing except that a water column lease which entirely covers a shellfish bottom lease or franchise with an accepted survey on file does not require another survey. Such surveys shall be made at the expense of applicants and must meet the following standards:

1. Surveys and maps shall meet all the requirements of 21 NCAC 56 .1600, Standards of Practice for Land Surveying in North Carolina, which is hereby incorporated by reference including subsequent amendments and editions. This material is available for inspection and copies may be obtained from the Marine Fisheries Division, Marine Fisheries Building, 3441 Arendell St., P.O. Box 769, Morehead City, North Carolina 28557, at no cost.

2. Maps shall bear the certificate:

   "I _________________________ certify that this map was (drawn by me) (drawn under my supervision) from (an actual survey made by me) (an actual survey made under my supervision); that the error of closure as calculated by latitudes and departures is 1: ____________, that the area is ___________ acres. Witness my hand and seal this ____________ day of __________ AD _________."

   _______________________________
Surveyor or Engineer

(3) The phrase "other appropriate natural monuments or landmarks" in 21 NCAC 56 .1604(e)(9) shall include bridges, roads, highways, intersections, publicly maintained aids to navigation, houses and other permanent buildings, radio, telephone, TV, and water towers; docks, piers, and bulkheads; but does not include stakes marking the boundaries of adjoining leases, points of marsh, junctions of streams, or other landmarks which are particularly subject to change through natural processes, storms, or the effect of man.

(4) A written description of the survey suitable for official documents shall be provided with the survey.

(5) Locations of all corner markers in latitude and longitude shall be provided with the survey and presented in an eight digit format. The relative accuracy of the corner marker locations shall be equal to or less than two meters. Information on the method of measurement, make and model of equipment, and coordinate system used to determine the latitude and longitude shall be included.

(e) Proposed shellfish bottom lease areas remain public bottom until a lease contract has been executed by the Secretary.

(f) Proposed shellfish water column lease areas superjacent to shellfish-bottom leases and recognized perpetual franchises remain public water until a lease contract has been executed by the Secretary.

History Note: Authority G.S. 113-134; 113-182; 113-201; 113-202; 113-202.1; 113-202.2; 113-206; 143B-289.52; Eff. January 1, 1991; Amended Eff. October 1, 2008; March 1, 1994; September 1, 1991; Readopted Eff. May 1, 2022.
15A NCAC 03O .0205 SHELLEFISH LEASE RENEWAL

(a) Shellfish lease renewal applications shall be provided to lessees-lease holders by the Division of Marine Fisheries as follows:

(1) For a shellfish bottom lease, a renewal application shall be provided in January of the year of expiration.

(2) For a shellfish water column lease, a renewal application shall be provided at least 90 days prior to the expiration date.

(b) A shellfish lease renewal application shall be accompanied by management plans meeting Shellfish Lease Management Plan that meets the requirements of 15A NCAC 03O .0202(b) Rule .0202 of this Section. The non-refundable filing fee set forth in G.S. 113-202(j) shall accompany each renewal application for a shellfish bottom lease.

(c) A survey for renewal leases shall be required at the applicant's expense when the Division determines that the area leased to the renewal applicant is inconsistent with the survey on file.

(d) To be eligible to renew a shellfish lease, persons holding any acres under a shellfish lease or franchise shall meet the requirements established in Rules .0201 and .0204 of this Section and 15A NCAC 03O .0503(a).

(e) When it is determined, after due notice to the lessee-lease holder and after opportunity for the lessee-lease holder to be heard, that the lessee-lease holder has not complied with the requirements of this Section or that the lease as issued is inconsistent with this Section, the Secretary may decline to renew, at the end of the current terms, any shellfish bottom or water column lease. The lessee-shellfish lease holder may appeal the Secretary's decision by initiating a petition for a contested case as outlined in 15A NCAC 03P .0102 under G.S. 150B-23.

(f) Pursuant to G.S. 113-202(a)(6), the Secretary is not authorized to recommend approval of a shellfish lease in an area closed to shellfishing by reason of pollution designated as polluted by a proclamation issued by the Fisheries Director. Excluded from this requirement are shellfish leases located in conditionally approved waters that have been temporarily closed when the conditions of the written management plan are not met as described in 15A NCAC 18A .0905. Shellfish leases partially closed due to pollution must be amended to exclude the area closed to shellfishing prior to renewal. For purposes of lease renewal determinations, an area shall be considered closed to shellfishing by reason of pollution when the area has been classified by the State Health Director as prohibited or has been closed for more than 50 percent of the days during the final four years prior to renewal except shellfishing in areas which have been closed for more than 50 percent of the days during the final four years prior to renewal and continue to meet established production requirements by sale of shellfish through relay periods or other depuration methods shall not be considered closed due to pollution for renewal purposes.

(f) If the Secretary declines to renew a shellfish lease that has been determined to be inconsistent with the standards of this Section, the Secretary, with the agreement of the lessee-lease holder, may issue a renewal lease for all or part of the area previously leased to the lessee-lease holder that contains conditions necessary to conform the renewal lease to the requirements of this Section for new leases.
History Note: Authority G.S. 113-134; 113-182; 113-201; 113-202; 113-202.1; 113-202.2; 113-206; 143B-289.52;
Eff. January 1, 1991;
Amended Eff. September 1, 2005; May 1, 1997; March 1, 1995; March 1, 1994; October 1, 1992;
September 1, 1991;
Readopted Eff. May 1, 2022.
15A NCAC 03O.0206 is proposed for readoption with substantive changes as follows:

15A NCAC 03O.0206  LEASE—PROTEST—SHELLFISH LEASE APPLICATION: REQUEST FOR REVIEW

(a) Should any person object to the granting of any initial or renewal lease, he has the right to protest its issuance prior to the granting of the lease by the Secretary. The protestant may file a sworn statement of protest with the Division stating the grounds for protest. The Secretary shall notify both the prospective lessee and the protestant upon receipt of a protest, and shall conduct such investigation as he deems necessary, and shall notify both parties of the outcome of his investigation. Protestants or applicants receiving an adverse recommendation on the lease application from the Secretary may appeal this decision as outlined in G.S. 113-202(g).

(b) Any member of the public shall be allowed an opportunity to comment on any shellfish lease application during the public comment period and subsequent public hearing at which the lease application is being considered by the Secretary, as set forth in G.S. 113-202.

(c) Procedures for how an applicant or a person other than the applicant who is aggrieved may proceed with a contested case based on dissatisfaction of the Secretary’s decision on a shellfish lease application are provided in G.S. 113-202(g). Additionally, a person other than the applicant who is aggrieved may submit a request for a determination of the appropriateness of a contested case hearing. The request and any supporting documentation for the basis of the aggrieved person seeking to commence a contested case shall be submitted within 30 days after the disputed decision is made to the Shellfish Cultivation Lease Review Committee and addressed to the Marine Fisheries Commission Office, Division of Marine Fisheries, 3441 Arendell Street, P.O. Box 769, Morehead City, NC 28557. The request shall be submitted on a form provided by the Division.

(c) The Shellfish Lease Review Committee shall notify the aggrieved person of the date of the public meeting for the Committee to consider the request no later than seven calendar days before the date of the public meeting.

History Note:  Authority G.S. 113-134; 113-182; 113-201; 113-202; 143B-289.52;
Eff. January 1, 1991;
Amended Eff. March 1, 1994; September 1, 1991;
Readopted Eff. May 1, 2022.
15A NCAC 03O .0207 is proposed for readoption with substantive changes as follows:

15A NCAC 03O .0207 SHELLFISH LEASE AND FRANCHISE PRODUCTION REPORTS

(a) The owners of shellfish leases and franchises shall provide an annual production report to the Division of Marine Fisheries by March 31 of each year showing the amounts of material planted, purchased, and harvested in connection with management for commercial production. Reporting forms will be provided to owners of shellfish bottom leases and recognized franchises during the period that annual notices of rent due are provided to owners of shellfish bottom leases in accordance with G.S. 113-202(j). Reporting forms will be provided to owners of water column leases prior to each annual anniversary date in accordance with Rules .0201 and .0202 of this Section. The report shall include supporting documentation with evidence of purchased seed in accordance with Rule .0201 of this Section.

(b) The Division shall provide reporting forms annually to each shellfish lease or franchise holder to be used for the annual production report.

(b)(c) Failure to furnish by the holder or holders of the shellfish lease or franchise to submit the required annual production report, correct and in detail requested, report with all required fields completed, or filing a report containing false information, can constitute grounds for termination as set forth in Rule .0208 of this Section.

History Note: Authority G.S. 113-134; 113-182; 113-201; 113-202; 113-202.1; 113-202.2; 113-206; 143B-289.52; Eff. January 1, 1991; Amended Eff. September 1, 1991; Readopted Eff. May 1, 2022.
15A NCAC 030 .0208 is proposed for readoption with substantive changes as follows:

**15A NCAC 030 .0208**  
**TERMINATION OF PROCEDURES FOR SHELLFISH BOTTOM LEASES AND FRANCHISES AND WATER COLUMN LEASES**

(a) Procedures for termination of shellfish leaseholds leases and franchises are provided in G.S. 113-202. An appeal of the Secretary's decision to terminate a leasehold is governed by G.S. 150B-23.

(b) Substantial breach of compliance with the provisions of rules of the Marine Fisheries Commission governing use of the leasehold includes the following, except as provided in Paragraph (c) of this Rule:

1. Failure to meet shellfish production and marketing requirements for bottom leases or franchises in accordance with Rule .0201 of this Section;
2. Failure to maintain a planting effort of cultch or seed shellfish for bottom leases or franchises in accordance with Rule .0201 of this Section;
3. Failure either to meet shellfish production and marketing requirements or to maintain a planting effort of cultch or seed shellfish for water column leases in accordance with Rule .0201 of this Section;
4. The Fisheries Director has cause to believe the holder of private shellfish bottom or franchise rights has encroached or usurped the legal rights of the public to access public trust resources in navigable waters, in accordance with G.S. 113-205 and Rule .0204 of this Section; and
5. The Attorney General initiates action for the purpose of vacating or annulling letters patent granted by the State, in accordance with G.S. 146-63.

(b) Consistent with G.S. 113-202(l1) and G.S. 113-201(b), a leaseholder shellfish lease or franchise holder that failed to meet the requirements in G.S. 113-202, G.S. 113-202.1, G.S. 113-202.2, Rule .0201 or the rules of this Section or this Rule that govern a determination of failure to utilize the lease on a continuing basis for the commercial production of shellfish may be granted a single extension period of no more than two years per contract period upon a showing of hardship by written notice to the Fisheries Director his or her or the Fisheries Director's designee received prior to the expiration of the lease term that documents one of the following occurrences caused or will cause the leaseholder lease or franchise holder to fail to meet lease requirements:

1. Death, illness, or incapacity of the leaseholder shellfish lease or franchise holder or his the holder's immediate family as defined in G.S. 113-168 that prevented or will prevent the leaseholder lease or franchise holder from working the lease;
2. Damage to the shellfish lease or franchise from hurricanes, tropical storms, or other severe weather events recognized by the National Weather Service;
3. Shellfish mortality caused by disease, natural predators, or parasites; or
4. Damage to the shellfish lease or franchise from a manmade disaster that triggers a state emergency declaration or federal emergency declaration.

(c) In the case of hardship as described in Paragraph (b) of this Rule, the notice shall state the shellfish lease or franchise number. In the case of hardship as described in Subparagraph (e)(1)-(b)(1) of this Rule, the notice shall also
state the name of the leaseholder shellfish lease or franchise holder or immediate family member and either the date of death or the date and nature of the illness or incapacity. The Fisheries Director may require a doctor’s verification that the illness or incapacity occurred. In the case of hardship as described in Subparagraphs (b)(2) through (b)(4) of this Rule, the notice shall also include documentation of damage to the shellfish lease or franchise. Written notice and supporting documentation shall be addressed to the Director of the Division of Marine Fisheries, 3441 Arendell St., Street, P.O. Box 769, Morehead City, NC 28557.

History Note: Authority G.S. 113-134; 113-182; 113-201; 113-202; 113-202.1; 113-202.2; 113-205; 113-206; 143B-289.52; Eff. January 1, 1991; Amended Eff. May 1, 1997; March 1, 1995; March 1, 1994; October 1, 1992; September 1, 1991; Temporary Amendment Eff. January 1, 2002; October 1, 2001; Amended Eff. May 1, 2017; April 1, 2003; Readopted Eff. May 1, 2022.
15A NCAC 03O .0209 is proposed for readoption with substantive changes as follows:

15A NCAC 03O .0209 TRANSFER OF INTEREST—ASSIGNMENT OF SHELLFISH LEASES AND FRANCHISES

(a) For the purpose of effecting assignments of shellfish leases or franchises in accordance with this Rule:

(1) "transfer" shall be defined as any permanent assignment of a shellfish lease or franchise, in whole or in part.

(2) "sublease" shall be defined as any temporary assignment of a shellfish lease or franchise, in whole or in part.

(a) Within 30 days after transfer of ownership of all or any portion of interest in a shellfish lease or franchise, the new owner shall notify the Division, and provide the number of the lease or franchise and the county in which it is located. Such notification shall be accompanied by a management plan prepared by the new owner in accordance with 15A NCAC 03O .0202(b).

(b) No transfer or sublease of a shellfish lease or franchise, in whole or in part, shall be valid until notice is provided to the Division of Marine Fisheries as provided in Article 16 of Chapter 113 of the North Carolina General Statutes and the Division provides written consent in order to ensure that a transferee or sub-lessee meets the requirements of the North Carolina General Statutes and Marine Fisheries Commission Rules. A transfer may only be made by the use of a form provided and approved by the Division.

(c) Notice to transfer or sublease a shellfish lease or franchise shall include the shellfish lease or franchise number, county in which the lease or franchise is located, and the name of the transferee or sub-lessee. The transferee or sub-lessee of a shellfish lease shall provide to the Division the required Shellfish Lease Management Plan and proof of completion of training requirements in accordance with Rule .0202 of this Section.

(b)(d) If the new owner obtains a The smallest portion of an existing shellfish bottom lease or franchise, it shall not contain less than franchise to be transferred or subleased shall be one-half acre acre and the required notification to the Division shall be accompanied by a survey prepared in accordance with the standards in 15A NCAC 03O .0203(d).

(c) Within six months after transfer of ownership, the new owner shall complete shellfish cultivation lease training as specified in 15A NCAC 03O .0202(d).

(c) A shellfish lease or franchise shall not be transferred or subleased to a nonresident of North Carolina in accordance with G.S. 113-202, G.S. 113-202.1, G.S. 113-202.2, and G.S. 113-206.

(d)(f) Water column leases are not transferrable except when the Secretary approves such transfer. A shellfish water column lease shall only be transferred in accordance with G.S. 113-202.1(f) and G.S. 113-202.2(f).

(e) In the event the transferee involved in a lease is a nonresident, the Secretary must initiate termination proceedings.

History Note: Authority G.S. 113-134; 113-182; 113-201; 113-202; 113-202.1; 113-202.2; 113-205; 113-206; 143B-289.52;
Eff. January 1, 1991;
Amended Eff. April 1, 2011; March 1, 1994; September 1, 1991;
Readopted Eff. May 1, 2022.
15A NCAC 03O .0210 is proposed for readoption with substantive changes as follows:

15A NCAC 03O .0210 STANDARDS AND REQUIREMENTS FOR SHELLFISH FRANCHISES

(a) The resolution of claims filed under G.S. 113-205 is governed by standards in Departmental Rules 15A NCAC 1G .0200 and .0300. Following receipt of notification that a claim has a valid chain of title, the owner shall provide to the Division within 90 days a survey prepared in accordance with the standards in 15A NCAC 03O .0203(d). Failure to provide the required survey within the time period specified will result in denial of the claim.

(b) Acceptable management plans, Shellfish Management Plans, prepared in accordance with the standards in 15A NCAC 03O .0202(b), Rule .0202 of this Section, shall be provided to the Division of Marine Fisheries within 30 days following formal recognition of a valid chain of title and at ten-year intervals thereafter.

(c) The survey and management plan, Shellfish Management Plan requirements in Paragraphs (a) and (b) Paragraph (a) of this Rule, Rule and all other requirements and conditions of this Section affecting management of franchises, franchises shall apply to all valid shellfish franchises recognized prior to September 1, 1989 franchises.

(d) Commercial production requirements for franchises shall be identical to that required for shellfish bottom leases in 15A NCAC 03O .0201(c) accordance with Rules .0201 and .0207 of this Section averaged over the most recent three-year period after January 1 following the second anniversary of the dates of recognition of claims as valid shellfish franchises and continuing throughout the term of management plans. Shellfish Management Plans required in Paragraph (b) (a) of this Rule. Annual reporting of commercial production shall be submitted upon receipt of forms provided by the Division for that purpose.

History Note: Authority G.S. 113-134; 113-182; 113-201; 113-202; 113-205; 113-206; 143B-289.52;
Eff. January 1, 1991;
Amended Eff. October 1, 2008; September 1, 1991;
Readopted Eff. May 1, 2022.
15A NCAC 03O .0211 is proposed for readoption with substantive changes as follows:

15A NCAC 03O .0211 PROTECTION OF PRIVATE SHELLFISH INTEREST—FISHING GEAR
REQUIREMENTS FOR SHELLFISH LEASES AND FRANCHISES

(a) It is unlawful to use any trawl net, long haul seine, swipe net, dredge, or mechanical method for clams or oysters shellfish on any shellfish lease or franchise except if it has been duly authorized by the Fisheries Director as provided in 15A NCAC 3K .0206 and .0303.

(1) for a holder of a Permit to Use Mechanical Methods for Shellfish on Shellfish Leases or Franchises;
or
(2) for the purpose of placing and retrieving cages, bags, or other aquaculture gear within any shellfish lease or franchise.

(b) Permits to Use Mechanical Methods for Shellfish on Shellfish Leases or Franchises shall be issued by the Division of Marine Fisheries in compliance with 15A NCAC 03O .0500.

History Note: Authority G.S. 113-134; 113-182; 113-201; 113-206; 143B-289.52;
Eff. October 1, 1992;
Amended Eff. August 1, 1998;
Readopted Eff. (Pending legislative review pursuant to S.L. 2019-198).