



SENATE BILL 1001: Coastal Regulatory Reform.

**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

2025-2026 General Assembly

Committee:	Senate Finance	Date:	June 23, 2026
Introduced by:	Sens. Lazzara, Sanderson	Prepared by:	Chris Saunders
Analysis of:	Second Edition		Staff Attorney

OVERVIEW: *Senate Bill 1001 would make the following changes to the coastal laws of the State:*

- *Update CAMA major and minor permit notice requirements for adjacent riparian landowners.*
- *Change dissolved oxygen (DO) requirements for upland basins so that the applicant may demonstrate compliance through certified modeling by a professional engineer if pre-project ambient levels exceed 5.0 mg/L. The Department of Environmental Quality (DEQ) would not be able to require aeration or other interventions to increase or maintain DO unless it identifies errors in the modeling within 90 days.*
- *Clarify that if an upland basin has a bond or set-aside funds for long-term operation and technology required to meet water quality standards, the bond or trust must identify the State or the appropriate permitting agency as the beneficiary.*
- *Allow the Coastal Storm Damage Mitigation Fund to be used for costs associated with the permitting, construction, or repair of a terminal groin if the project is sponsored by a local government and the Secretary of Environmental Quality determines that the project would provide storm damage mitigation or resiliency benefits to public lands in the vicinity of the terminal groin.*
- *Appropriate \$800,000 in nonrecurring funds for the 2026-2027 fiscal year to the Coastal Storm Damage Mitigation Fund.*
- *Specify that DEQ administers the Coastal Reserve System (System) subject to use standards adopted by the Coastal Resources Commission, and provide the Department of Natural and Cultural Resources (DNCR) with standing to enforce articles of dedication for dedicated nature preserves within the System.*

CURRENT LAW AND BILL ANALYSIS:

MODIFY COASTAL AREA MANAGEMENT ACT APPLICATION PROCESSING RULE TO CLARIFY ADJACENT LANDOWNER NOTICE REQUIREMENTS

Under current law, Coastal Resources Commission rule 15A NCAC 07J .0204 provides that an application for a Coastal Area Management Act (CAMA) permit requires notification to adjacent riparian landowners. For a CAMA major permit or dredge and fill permit, the applicant must include certified return-mail receipts (or copies) showing that the adjacent riparian landowners identified in the application were sent a copy of the proposed development application. For a CAMA minor permit, the applicant must give actual notice to all adjacent riparian landowners of their intent to develop and apply for the permit. Actual notice can be a certified letter, an in-person or telephone notification, or any other method that satisfies the Local Permit Officer that a good-faith effort was made to provide notice.

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Section 1 would provide two pathways for CAMA major and minor development permit applications to satisfy adjacent landowner notice requirements:

- If the applicant provides proof that the adjacent riparian landowner received notice sent by certified mail to the landowner's tax address of record, that notice satisfies the rule.
- If proof of receipt cannot be provided, the permit application may proceed until 60 days have elapsed from the date the applicant sent certified mail, return receipt requested, to both the adjacent riparian landowner's tax address of record and the property address of the adjacent riparian property, if a separate property address has been assigned and differs from the tax address. Failure of an adjacent riparian landowner to receive, claim, or respond to the certified mail notice shall not delay or prevent issuance of the permit after the 60-day period. A CAMA minor development permit applicant could still use any other notice method permitted by applicable law or rule.

AMEND UPLAND BASIN DISSOLVED OXYGEN REQUIREMENTS

Under current law, to qualify for expedited permitting of an upland basin marina, the project must meet several criteria, including that the waters contained in the upland basin marina have a dissolved oxygen (DO) content equal to or greater than the DO content of the water located 50 feet plus or minus 5 feet from the entrance to the upland basin marina before development.

Section 3 would define "project baseline area" as "an area defined as 50 feet plus or minus 5 feet from the location of the proposed entrance to the proposed upland basin marina." If pre-project ambient DO levels based on site-specific sampling data exceed 5.0 mg/L, an applicant for an upland basin marina could demonstrate compliance with DO standards through certified modeling by a professional engineer showing that the marina design provides sufficient flushing to maintain DO levels equal to the greater of (i) the pre-project ambient levels or (ii) the level sufficient to support aquatic habitat. DEQ would not be authorized to require additional aeration or other active interventions to increase or maintain DO as a condition of permit issuance unless DEQ provides written findings to the applicant within 90 days of receipt of the demonstration that identify one or more specific deficiencies in the demonstration.

AMEND UPLAND BASIN FINANCIAL ASSURANCE REQUIREMENTS

Another criteria to qualify for expedited permitting of an upland marina is the provision of a bond or set-aside funds for the long-term operation and maintenance of any technology required to meet or exceed then-applicable water quality standards.

Section 4 would clarify that a bond or trust obtained to meet the bond or set-aside funds requirement must identify the State or the appropriate permitting agency as the beneficiary and allow DEQ to establish a procedure for transfer of the financial assurance if ownership of the upland basin changes.

UPLAND BASIN TECHNICAL CORRECTIONS

Section 5 would make two technical corrections.

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COASTAL STORM DAMAGE MITIGATION FUND ELIGIBLE EXPENSE REVISION

Under current law, the Coastal Storm Damage Mitigation Fund (Fund), housed in DEQ, may be used only 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.

Section 6.(a) would additionally allow the Fund to be used for costs associated with the permitting, construction, or repair of a terminal groin permitted under G.S. 113A-115.1 if the project is sponsored by a local government and the Secretary determines that the project would provide storm damage mitigation or resiliency benefits to public lands near the terminal groin. Construction or repair costs would not include the costs of financial assurance or costs of implementation of any component of the applicable inlet management plan.

Section 6.(b) would appropriate \$800,000 in non-recurring funds for the 2026-2027 fiscal year from the General Fund to DEQ for the Coastal Storm Damage Mitigation Fund.

COASTAL RESERVE AGENCY AUTHORITY

Under current law, the Coastal Reserve System (System) is established and administered by DEQ for the purpose of acquiring, improving, and maintaining undeveloped coastal land and water areas in a natural state. DEQ is directed to consult with and seek the ongoing advice of the Coastal Resources Commission (CRC) concerning activities allowed in the System. DEQ also has authority to define the areas included in the system and set standards for its use.

Section 6.5 would amend G.S. 113A-129.2 to clarify that DEQ administers the System subject to (i) use standards adopted by the CRC and (ii) permits and orders issued by the CRC concerning activities allowed in the System. For components of the System that are also dedicated nature preserves, DEQ would serve as primary custodian. The Secretary of Natural and Cultural Resources would monitor these preserves and retain authority to report alleged violations of an approved management plan or articles of dedication, triggering a mediation process coordinated by the Department of Administration. If mediation is unsuccessful, DNCR would have standing and a right of action in superior court to enforce the articles of dedication.

This section would become effective January 1, 2027.

EFFECTIVE DATE: Except as otherwise provided, this act would be effective when it becomes law.