



CRC-26-69

August 5, 2026

MEMORANDUM

TO: Coastal Resources Commission

FROM: Daniel Govoni

SUBJECT: Legislation Update

Session Law 2026-41 (Budget Bill), enacted on July 7, 2026, includes several provisions that directly affect the Division. A summary of these items is provided below.

Beach Inlet Management Plan Amendments

The current Beach Inlet Management Plan (BIMP) is approximately 10 years old. The Budget Bill allocated \$373,884 to update the current plan. An interim report is due December 1, 2026, with the final updated BIMP due July 1, 2027.

DCM has initiated internal discussions regarding project timelines and tasks and will begin coordinating with the Division of Water Resources and the Division of Energy, Mineral, and Land Resources to prepare a Request for Proposals for contractor services. As part of the request for proposals, DCM will require the awarded party to engage relevant nongovernmental organizations, including the North Carolina Beach and Inlet Waterway Association, to ensure stakeholder input throughout the update process.

Coastal Reserve Program

Session Law 2026-41 amended the Coastal Area Management Act, authorizing legislation for the N.C. Coastal Reserve (§ 113A-129.1 through 113A-129.3), to expand the Coastal Resources Commission's (CRC) authority over the Coastal Reserve.

Section § 113A-129.2(b) states that administration of the Coastal Reserve by the Department of Environmental Quality (DEQ) is now subject to use standards adopted for the system by the CRC and permits and orders issued by the CRC. This is a change from the Commission's previous consultation and advisory role. The law retains its original language authorizing DEQ to adopt rules to define the boundaries of the reserve system and to adopt use standards for those areas.

Section § 113A-129.2(f) adds the CRC as an additional primary custodian of Reserve components that are also designated state nature preserves. It clarifies the oversight role of the Department of Natural and Cultural Resources (DNCR) for these areas and outlines a process for dispute resolution in cases involving violations of approved management plans or articles of dedication.



Staff from the Coastal Reserve, DEQ, and DNCR are collaborating to interpret these statutory amendments and to determine their implications for Reserve administration and custodianship of components that are also state nature preserves.

The Coastal Reserve rules (15A NCAC 07O) are presently in the Periodic Review and Readoption Process. The classification report for the rules is now effective, and readoption will proceed according to a schedule developed with the Rules Review Commission. Staff will present a proposed rule readoption timeline at the Commission's October 2026 meeting. Any proposed revisions must comply with the requirements applicable to the federally designated N.C. National Estuarine Research Reserve (§ 113A-129.3(a)) and state nature preserve articles of dedication (§ 113A-129.3(b)).

Additionally, the Budget Bill provides an additional annual allocation of \$200,000 for Coastal Reserve site management. These funds will support basic site maintenance and repairs across Reserve properties.

North Carolina Resilient Coastal Communities Program

DCM received funding in the FY 2026–27 state budget to convert two time-limited RCCP positions into permanent, state-funded roles, bringing total permanent staffing for the Resilient Coastal Communities Program (RCCP) to three. This investment provides long-term stability for the program and preserves the expertise and institutional knowledge developed over the past several years. Establishing permanent positions ensures that DCM can continue delivering essential services, including technical assistance, grant management, and direct support to local governments throughout all phases of resilience projects from planning and engineering to implementation.

Since its launch, RCCP has supported 60 coastal communities, identified more than 300 resilience projects, and advanced engineering, design, and implementation efforts that reduce flood risk and strengthen community resilience. The conversion of these roles to permanent status reflects both the success of the program and the state's ongoing commitment to helping coastal communities prepare for and adapt to coastal hazards.

Although program funding remains limited, maintaining permanent staff ensures DCM retains the capacity necessary to administer current projects, assist communities, and pursue future funding opportunities.

Session Law 2025-48 was ratified on June 26, 2025, and required amendments to the CRC rules to ensure consistency with the Coastal Area Management Act (CAMA) and below is brief updated of the current rulemaking regarding this Session Law:

Clarifying Estuarine Waters AEC under CAMA

Session Law 2025-48 amends the definition of estuarine waters under CAMA by excluding man-made ditches, canals, ponds, and similar features from Areas of Environmental Concern (AECs). This legislation removes such features from CAMA and Dredge and Fill permitting jurisdiction, thereby exempting development activities in these areas from CRC oversight.

DCM's proposed amendments to address this Session Law were approved at your June 2026 meeting, and the fiscal analysis will be presented for your approval at your upcoming meeting.

Upland Basin Permitting Reform

Session Law 2025-48 introduced significant changes to the permitting process for upland basin marinas including the authorization to excavate coastal wetlands for upland basin construction, with no mitigation required for:

- Up to 10% of the linear shoreline; and



- Up to 5% of the total basin area

Session Law 2025-48 also eliminated the 30-foot vegetated buffer along newly created marina basin shorelines. However, the buffer requirement remains in place for non-basin shorelines.

DCM staff will provide potential rule amendments to address this Session Law at your upcoming meeting.



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