

ROY COOPER
Governor

ELIZABETH S. BISER
Secretary

BRAXTON DAVIS
Director



CRC-23-11

April 17, 2023

MEMORANDUM

TO: Coastal Resources Commission
FROM: Jonathan Howell
SUBJECT: Amendments to 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 - Proposed Permit Fee Increases

Since 1989, the Commission has had legislative authority under General Statute Section 113A-119.1 of the Coastal Area Management Act (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, Staff are proposing fee increases for most CAMA permit actions, including increases for all general permits. Many other divisions within DEQ are also proposing permit fee increases this year as a measure to maintain their level of service in the face of inflationary operating costs.

The division 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. Currently, the Commission is moving forward with rulemaking to extend the timeframe for active general permits as well as a new provision allowing projects to be completed where substantial development has begun. This increase in the allowable development time, while beneficial to the regulated community, will result in a decrease in permit receipts at a time the division is experiencing inflationary costs in its operations and increased permitting demands. 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.



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In 2022, staff conducted a survey of local governments with delegated Minor Permitting programs 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, Staff are currently revisiting the issue via communication with Local Permitting Officers and will be prepared to provide responses at the upcoming Commission meeting. In any case, given that DCM directly issues approximately 350 Minor Permits annually (rather than through a delegated local program), Staff are proposing to increase fees (at a minimum) for DCM-issued Minor Permits.

With these proposed fee increases, the division believes it can maintain its current level of service and meet increased demands on its operating budget. I look forward to discussing this with you at your upcoming meeting in Manteo.

Proposed Permit Fee Increases

Rule #	Permit Type	Current Fee	Proposed Fee
7H.1103	GP at or above NHW/NWL	200	400
	GP below NHW/NWL	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	200	400
	GP Excavation (maintenance) 101-1000 cy	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.2403	GP for Riprap Revetments for Wetland Protection	200	400
7H.2503	GP Emergency (waived by rule, for recordkeeping)	200	400
7H.2703	GP for Marsh Sills	200	400
7J.0204 (6)(A)	Major Permit Fee (private, non-commercial)	250	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

