MEMORANDUM

TO: Coastal Resources Commission
FROM: Mike Lopazanski
SUBJECT: Fiscal Analysis, 15A NCAC 7M .0303 & .0310 Additional Amendments to Shoreline Access Policies

You will recall that the Division has been working on revisions to the rules guiding administration of the Public Beach and Coastal Waterfront Access Program. These changes address implementation aspects of the Program, as well as reorganize some of the individual rules based on grant administration, local government requirements, and project selection. At the April 2021 meeting of the Commission, addition amendments were approved that incorporate proposed legislative amendments to CAMA regarding disposition of properties acquired with access funds, should they be sold by a local government. Also included were relocated and amended provisions from 7M .0303 requiring that an annual report on the use of fees be made publicly available and that a local government will be ineligible for funding if the report is not provided until it is rectified. As a fiscal analysis associated with previous amendments was approved in November of 2020, these additional amendments have been incorporated into the original fiscal analysis.

The revised fiscal analysis is not expected to create additional costs associated with the amendment to require local governments to make the fee reports publicly available rather than send these reports to the Division. Reporting on the use of fees is currently a requirement and only the presentation is changing. While non-compliance with the reporting requirement could now make local government ineligible to receive a grant from the Public Access Program, this ineligibility is temporary until rectified. However, should non-compliance with the reporting requirement continue, a local government could be expected to be ineligible for $104,579 per year in grant funding based on the average grant award over the past five years.

The amendments to the 15A NCAC 7M Shoreline Access Policies affect the implementation aspects of the Program, and while NCDOT may be a partner with local government through lease or easement agreements, NCDOT is not eligible for this funding and is unlikely to be affected by these amendments.

While future funding of the Access Program is dependent upon the availability of funds in any given fiscal year, the Division is assuming for this analysis that approximately $1,000,000 per year
in state funds will continue to be available. These amendments do not significantly impact how state funds are distributed to local governments through the Access Program.

DEQ and OSBM have reviewed and approved the fiscal analysis for publication and Staff recommend CRC approval. The fiscal analysis and proposed rule amendments are attached, and I will address any of your questions at our upcoming meeting.