

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1627*

Short Title: Shellfish Industry Enhancements. (Public)

Sponsors: Representatives Harrison, Justice, Wainwright, Underhill (Primary Sponsors); Alexander, Dickson, Glazier, Hall, Insko, Luebke, and Stiller.

Referred to: Appropriations.

April 19, 2007

A BILL TO BE ENTITLED

1
2 AN ACT TO APPROPRIATE FUNDS TO ESTABLISH A PROFESSORSHIP
3 DEDICATED TO SHELLFISH RESEARCH, TO ESTABLISH A SHELLFISH
4 OMBUDSMAN, TO ESTABLISH A SHELLFISH RESOURCE GRANT
5 PROGRAM, AND TO ESTABLISH THE ALBEMARLE SOUND RIVER
6 HERRING MANAGEMENT PROGRAM.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** There is appropriated from the General Fund to the Board of
9 Governors of The University of North Carolina the sum of five hundred thousand
10 dollars (\$500,000) in recurring funds for the 2007-2008 fiscal year to be allocated to
11 North Carolina Sea Grant to be used to establish a professorship dedicated to shellfish
12 research.

13 **SECTION 2.** There is appropriated from the General Fund to the
14 Department of Environment and Natural Resources, Division of Marine Fisheries, the
15 sum of seventy-five thousand dollars (\$75,000) in recurring funds for the 2007-2008
16 fiscal year to establish a shellfish ombudsman position in the Division of Marine
17 Fisheries to assist shell fishermen.

18 **SECTION 3.** There is appropriated from the General Fund to the
19 Department of Environment and Natural Resources, Division of Marine Fisheries, the
20 sum of five hundred thousand dollars (\$500,000) in recurring funds for the 2007-2008
21 fiscal year to establish a Shellfish Resource Grant Program in the Division. The purpose
22 of the program is to protect and enhance the State's coastal fishery resources through
23 individual grants pursuant to the Shellfish Resource Grant Program established in this
24 act.

25 **SECTION 4.** Article 15 of Chapter 113 of the General Statutes is amended
26 by adding a new section to read:

27 **"§ 113-200.1 Shellfish Resource Grant Program.**

1 (a) Creation. – There is created within the Sea Grant College Program at The
2 University of North Carolina, the Shellfish Resource Grant Program. The purpose of the
3 program is to work within research priorities established by the North Carolina Coastal
4 Habitat Protection Program and the Division of Marine Fisheries Oyster, Hard Clam,
5 and Scallop Fishery Management Plans supported by the Grants Committee to protect
6 and enhance the State's coastal fishery resources through individual grants in the
7 following areas:

8 (1) Stock assessment and enhancement.

9 (2) Aquaculture or mariculture development, training, and education for
10 estuarine and marine dependent species.

11 (3) Shellfish biology.

12 (4) Seafood technology and education.

13 (5) Environmental studies, including water quality and shellfisheries
14 habitat.

15 (b) Definitions. – For purposes of this section, the following definitions apply:

16 (1) Aquaculture or mariculture development, training, and education for
17 estuarine and marine dependent species. – Training and support for
18 new and existing individual, commercial, and community mariculture
19 and aquaculture operations and new and existing university and
20 community college aquaculture, mariculture, and marine technology
21 programs.

22 (2) Environmental studies. – Research and project implementation for the
23 protection and restoration of shellfish habitat and shellfish waters.

24 (3) Seafood technology and education. – Development, testing, and
25 training for marketing, production, processing, and harvest techniques
26 that support sustainable shellfisheries.

27 (4) Shellfish biology. – Research on shellfish biology in support of
28 enhancing and restoring North Carolina native shellfisheries.

29 (5) Shellfishing related industry. – Any of the following: (i) commercial
30 fishing; (ii) recreational fishing; (iii) aquaculture; (iv) mariculture; and
31 (v) handling of seafood products, including seafood dealing and
32 seafood processing.

33 (6) Stock assessment and enhancement. – Comprehensive assessment and
34 enhancement of existing and projected shellfish populations and
35 habitats.

36 (c) Annual Establishment of Priorities. – The Grants Committee shall, in
37 cooperation with persons involved in fishing related industries, the Division of Marine
38 Fisheries, and the Sea Grant College Program, establish funding priorities effective July
39 1 of each year for the grant program. In adopting priorities, the Grants Committee is
40 exempt from Article 2A of Chapter 150B of the General Statutes. The Grants
41 Committee shall provide public notice of its proposed priorities at least 30 days before
42 the Grants Committee meeting prior to a final determination of its priorities for the
43 fiscal year.

1 (d) Procedure to Solicit Proposals. – Following the establishment of priorities by
2 the Grants Committee, the Sea Grant College Program shall hold workshops within the
3 northern, southern, central, and Pamlico coastal regions to solicit applications and to
4 assist persons involved in fishing related industries in writing proposals. The Sea Grant
5 College Program shall encourage pre-proposal conferences among persons involved in
6 fishing related industries and those with technical or research backgrounds to work as
7 partners in developing and writing the proposals and in writing reports of final results. If
8 the grants approved by the Grants Committee do not utilize all available funds, the Sea
9 Grant College Program may advertise and solicit additional applications during the
10 applicable fiscal year.

11 (e) Application for Grant Program. – An applicant may apply for grant funds to
12 the Sea Grant College Program. For purposes of this subsection, every proposal shall
13 include substantial involvement of residents of North Carolina who are actively
14 involved in a fishing related industry. A proposal generated by a person not involved in
15 a fishing related industry may be eligible for funding only if the proposal includes
16 written endorsements supporting the project from persons or organizations representing
17 fishing related industries. An application shall include:

- 18 (1) Name and address of the primary applicant.
- 19 (2) List of marine fishing licenses issued under Chapter 113 of the General
20 Statutes to the applicant by the State of North Carolina.
- 21 (3) A description of the project.
- 22 (4) A detailed statement of the projected costs of the project including the
23 cost to plan and design the project.
- 24 (5) An explanation of how the project will enhance the fishery resource.
- 25 (6) List of names and addresses of any other persons who will participate
26 in the project.
- 27 (7) Any other information necessary to make a recommendation on the
28 application.

29 (f) Review Process. – The Sea Grant College Program shall conduct an
30 anonymous peer review of all applications for fisheries grants. At least one of the peer
31 reviewers shall be a person involved in a fishing related industry. An application is
32 confidential and is not a public record under G.S. 132-1 until after the closing date for
33 submission of applications. Following the review of all proposals, the Sea Grant College
34 Program shall rank proposals in order of priority and shall present the recommendations
35 to the Grants Committee. The Sea Grant College Program may adopt criteria to rank
36 proposals. In adopting criteria, the Sea Grant College Program is exempt from Article
37 2A of Chapter 150B of the General Statutes. Criteria adopted pursuant to this subsection
38 are public records within the meaning of G.S. 132-1.

39 (g) Grants Committee. – The Grants Committee shall consist of 11 members as
40 follows:

- 41 (1) Three employees of the Sea Grant College Program, appointed by the
42 Director of the Sea Grant College Program.
- 43 (2) Two employees of the Division of Marine Fisheries, appointed by the
44 Fisheries Director.

- 1 (3) Two members of the Marine Fisheries Commission, appointed by the
2 Chair of the Marine Fisheries Commission.
- 3 (4) One member of the Northeast Regional Advisory Committee
4 established pursuant to G.S. 143B-289.57(e), appointed by the
5 Northeast Regional Advisory Committee.
- 6 (5) One member of the Central Regional Advisory Committee established
7 pursuant to G.S. 143B-289.57(e), appointed by the Central Regional
8 Advisory Committee.
- 9 (6) One member of the Southeast Regional Advisory Committee
10 established pursuant to G.S. 143B-289.57(e), appointed by the
11 Southeast Regional Advisory Committee.
- 12 (7) One member of the Inland Regional Advisory Committee established
13 pursuant to G.S. 143B-289.57(e), appointed by the Inland Regional
14 Advisory Committee.

15 (h) Award Process. – The Grants Committee shall evaluate all grant proposals
16 and the results of the peer review and ranking conducted pursuant to subsection (f) of
17 this section. On the basis of this evaluation, the Grants Committee shall determine the
18 amount of funding, if any, to be awarded to each grant applicant. To the extent
19 practicable, the Grants Committee shall distribute grant funding among the northern,
20 southern, central, and Pamlico coastal regions. Proposals for projects that include
21 involvement of persons involved in a fishing related industry shall be accorded a
22 priority in funding by the Grants Committee. Following approval by the Grants
23 Committee, the Sea Grant College Program shall award the grants.

24 (i) Restrictions on Grants. – No member of the Grants Committee may benefit
25 financially from a grant. If a grant recipient from a prior year has failed to perform a
26 grant project to the satisfaction of the Sea Grant College Program or the Grants
27 Committee, the Grants Committee may decline to fund any new application involving
28 the principal applicant.

29 (j) Grant Reports and Funding. – Grant recipients shall provide quarterly
30 progress reports to the Sea Grant College Program and shall submit invoices for
31 expenditures for each quarter. Twenty-five percent (25%) of the total grant award shall
32 be held until the grant recipient has completed the project and submitted a final written
33 report. The remainder of the grant award shall be distributed upon approval of each
34 quarterly report and upon verification of the expenditures.

35 (k) Report on Grant Program. – The Sea Grant College Program shall report on
36 the Fishery Resource Grant Program to the Marine Fisheries Commission and the Joint
37 Legislative Commission on Seafood and Aquaculture no later than January 1 of each
38 year."

39 **SECTION 5.** There is appropriated from the General Fund to the
40 Department of Environment and Natural Resources, Division of Marine Fisheries, the
41 sum of three hundred sixty-two thousand dollars (\$362,000) in recurring funds for the
42 2007-2008 fiscal year and the sum of one hundred ninety-nine thousand nine hundred
43 forty-eight dollars (\$199,948) in recurring funds for the 2008-2009 fiscal year to
44 establish the Albemarle Sound River Herring Management Program. The funds shall be

1 used for three new positions in the Division of Marine Fisheries and for operating
2 expenses of the Program. The Program shall monitor river herring in the Albemarle
3 Sound by surveying the spawning and nursery areas of herring and by sampling adult
4 and juvenile herring to obtain data.

5 **SECTION 6.** This act becomes effective July 1, 2007.