SESSION 1993

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HOUSE BILL 125*

Short Title: Shellfish Lease Authority.

(Public)

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Sponsors: Representatives Grady, James, Redwine, Smith, R. Thompson; Nichols and J. Preston.

Referred to: Environment.

February 10, 1993

1	A BILL TO BE ENTITLED		
2	AN ACT TO V	EST AUTHORITY IN THE SECRETARY OF ENVIRONMENT,	
3	HEALTH, A	AND NATURAL RESOURCES TO GRANT SHELLFISH	
4	CULTIVATION LEASES.		
5	The General Assembly of North Carolina enacts:		
6	Section 1. G.S. 113-202 reads as rewritten:		
7	"§ 113-202. New and renewal leases for shellfish cultivation; termination of leases		
8	issued prior to January 1, 1966.		
9	(a) To incr	ease the use of suitable areas underlying coastal fishing waters for the	
10	production of shellfish, the Marine Fisheries Commission Secretary may grant shellfish		
11	cultivation leases to persons who reside in North Carolina under the terms of this		
12	section when it-the Secretary determines that the public interest will benefit from		
13	issuance of the	ease. Suitable areas for the production of shellfish shall meet the	
14	following minimum standards:		
15	(1)	The area leased must be suitable for the cultivation and harvesting of	
16	5	shellfish in commercial quantities.	
17	(2)	The area leased must not contain a natural shellfish bed.	
18	(3)	Cultivation of shellfish in the leased area will be compatible with	
19		awful utilization by the public of other marine and estuarine	
20		resources. Other public uses which may be considered include, but are	
21	1	not limited to, navigation, fishing and recreation.	
22	(4)	Cultivation of shellfish in the leased area will not impinge upon the	
23	1	rights of riparian owners.	

(5) The area leased must not include an area designated for inclusion in 1 2 the Department's Shellfish Management Program. 3 (6) The area leased must not include an area which the State Health 4 Director has recommended be closed to shellfish harvest by reason of 5 pollution. 6 (b)The Marine Fisheries Commission-Secretary may delete any part of an area 7 proposed for lease or may condition a lease to protect the public interest with respect to 8 the factors enumerated in subsection (a) of this section. The Marine Fisheries Commission 9 Secretary may not grant a new lease in an area heavily used for recreational purposes. 10 (c) No person, including a corporate entity, or single family unit may acquire and hold by lease, lease renewal, or purchase more than 50 acres of public bottoms under 11 12 shellfish cultivation leases. 13 (d)Any person desiring to apply for a lease must make written application to the 14 Secretary on forms prepared by the Department containing such information as deemed 15 necessary to determine the desirability of granting or not granting the lease requested. 16 Except in the case of renewal leases, the application must be accompanied by a map or 17 diagram made at the expense of the applicant, showing the area proposed to be leased. 18 The map or diagram must conform to standards prescribed by the Secretary 19 concerning accuracy of map or diagram and the amount of detail that must be shown. If 20 on the basis of the application information and map or diagram the Secretary deems that 21 granting the lease would benefit the shellfish culture of North Carolina, the Secretary, in 22 the case of initial lease applications, must order an investigation of the bottom proposed 23 to be leased. The investigation is to be made by the Secretary or his authorized agent to 24 determine whether the area proposed to be leased is consistent with the standards in 25 subsection (a) and any other applicable standards under this Article and the rules of the Marine Fisheries Commission. In the event the Secretary finds the application 26 27 inconsistent with the applicable standards, the Secretary shall recommend that the application be denied or that a conditional lease be issued which is consistent with the 28 29 applicable standards. In the event the Secretary authorizes amendment of the 30 application, the applicant must furnish a new map or diagram meeting requisite standards showing the area proposed to be leased under the amended application. At the 31 32 time of making application for an initial lease, the applicant must pay a filing fee of one 33 hundred dollars (\$100.00). 34 The area of bottom applied for in the case of an initial lease or amended (e) 35 initial lease must be as compact as possible, taking into consideration the shape of the body of water, the consistency of the bottom, and the desirability of separating the 36 boundaries of a leasehold by a sufficient distance from any known natural shellfish bed 37 38 to prevent the likelihood of disputes arising between the leaseholder and members of the 39 public taking shellfish from the natural bed. Within a reasonable time after receipt of an application that complies with 40 (f)subsection (d), the Secretary shall notify the applicant whether he recommends 41

42 approval, disapproval, or modification of the lease application. In the event the
43 Secretary recommends approval or a modification to which the applicant agrees, the
44 Secretary shall conduct a public hearing in the county where the proposed leasehold

lies. The Secretary must publish at least two notices of the intention to lease in a 1 2 newspaper of general circulation in the county in which the proposed leasehold lies. The 3 first publication must precede the public hearing by more than 20 days; the second 4 publication must follow the first by seven to 11 days. The notice of intention to lease must contain a sufficient description of the area of the proposed leasehold that its 5 6 boundaries may be established with reasonable ease and certainty and must also contain 7 the date, hour and place of the hearing. The Secretary's recommendation of disapproval 8 shall become the final agency decision of on the application unless the applicant requests 9 in writing initiates a contested case by filing a petition under G.S. 150B-23 within 20 10 days of notice of such action an administrative hearing before the Marine Fisheries Commission. action. 11

12 Protests to the granting of a proposed lease shall be made either in writing (g) 13 under oath prior to the public hearing held by the Secretary or by testimony under oath 14 during the public hearing. After consideration of the protests public comment received 15 and any additional investigations he orders to evaluate the protests, comments, the 16 Secretary shall send to notify the applicant and protesting parties in person or by 17 certified or registered mail of his final recommendation decision on the lease application. The Secretary shall also notify persons who submitted comments at the 18 19 public hearing and requested notice of the lease decision. An applicant who is 20 dissatisfied with the Secretary's decision may commence a contested case by filing a 21 petition under G.S. 150B-23 within 20 days after receiving the Secretary's notice of his 22 decision, as may other persons meeting the requirements of G.S. 150B-23. In the event 23 the Secretary's final recommendation decision is a modification to which the applicant 24 agrees, the lease applicant must furnish an amended map or diagram before the 25 Secretary's final recommendation can be presented to the Marine Fisheries Commission. lease can be issued by the Secretary. In the event the Secretary's final recommendation 26 27 is inconsistent with a protest, the person filing the protest may request in writing within 20 days of notice of such action an administrative hearing before the Marine Fisheries 28 29 Commission. The Secretary's final recommendation of disapproval decision 30 disapproving an application shall become the final agency decision of on the application 31 unless the applicant requests in writing initiates a contested case by filing a petition under G.S. 150B-23 within 20 days of notice of such action an administrative hearing 32 33 before the Marine Fisheries Commission. action.

34 The Secretary shall present all lease applications recommended for approval (h) 35 to the Marine Fisheries Commission for final determination. In addition to his final recommendation, the Secretary shall present the official record of the application as 36 developed pursuant to the requirements of this action. The applicants and persons who 37 38 protested the application shall be given an opportunity to present oral and written 39 arguments based on the official record. Unless the Marine Fisheries Commission, in its 40 discretion, refers the matter for an administrative hearing, the Marine Fisheries Commission shall determine all lease applications presented by the Secretary during the 41 42 public meetings when the matter is presented. The Marine Fisheries Commission, 43 Secretary, in its-his discretion, may lease or decline to lease public bottoms in accordance with its his duty to conserve the marine and estuarine resources of the State. 44

1 More than 20 days prior to an administrative hearing conducted pursuant to this 2 section, the Secretary must publish notice of the hearing in a newspaper of general 3 circulation in the county where the proposed leasehold lies. The hearing shall be conducted in the county where the proposed leasehold lies. Protests to the granting of 4 the proposed lease may be made during the administrative hearing by parties to the 5 hearing, intervening parties, and witnesses for parties. When administrative hearings 6 7 have been conducted pursuant to this section, the Marine Fisheries Commission shall 8 determine the lease applications during the public meeting when the proposal for 9 decision is presented by the hearing officer(s).

10 After a lease application is approved by the Marine Fisheries Commission, (i) Secretary, the applicant shall submit to the Secretary a survey of the area approved for 11 12 leasing and define the bounds of the area approved for leasing with markers in 13 accordance with the rules of the Commission. The survey shall conform to standards 14 prescribed by the Secretary concerning accuracy of survey and the amount of detail to 15 be shown. When an acceptable survey is submitted, the boundaries are marked and all 16 fees and rents due in advance are paid, the Secretary shall execute the lease on forms 17 approved by the Attorney General. If the applicant and the Secretary are unable to agree that 18 the area approved for lease is that shown in the survey, the Secretary shall report the matter 19 with reasonable dispatch to the Marine Fisheries Commission for resolution.-The Secretary is 20 authorized, with the approval of the lessee, to amend an existing lease by reducing the area under lease or by combining contiguous leases without increasing the total area 21 22 leased.

23 Initial leases begin upon the issuance of the lease by the Secretary and expire (i) at noon on the first day of April following the tenth anniversary of the granting of the 24 25 lease. Renewal leases are issued for a period of 10 years effective from the time of 26 expiration of the previous lease. At the time of making application for renewal of a 27 lease, the applicant must pay a filing fee of fifty dollars (\$50.00). The rental for initial 28 leases is one dollar (\$1.00) per acre for all leases entered into before July 1, 1965, and 29 for all other leases until noon on the first day of April following the first anniversary of 30 the lease. Thereafter, for initial leases entered into after July 1, 1965, and from the 31 beginning for renewals of leases entered into after said date, the rental is five dollars 32 (\$5.00) per acre per year. Rental must be paid annually in advance prior to the first day 33 of April each year. Upon initial granting of a lease, the pro rata amount for the portion 34 of the year left until the first day of April must be paid in advance at the rate of one 35 dollar (\$1.00) per acre per year; then, on or before the first day of April next, the lessee 36 must pay the rental for the next full year.

(k) Except as restricted by this Subchapter, leaseholds granted under this section are to be treated as if they were real property and are subject to all laws relating to taxation, sale, devise, inheritance, gift, seizure and sale under execution or other legal process, and the like. Leases properly acknowledged and probated are eligible for recordation in the same manner as instruments conveying an estate in real property. Within 30 days after transfer of beneficial ownership of all or any portion of or interest in a leasehold to another, the new owner must notify the Secretary of such fact. Such

1	transfer is not v	valid until notice is furnished the Secretary. In the event such transferee is	
2		the Secretary must initiate proceedings to terminate the lease.	
3		n receipt of notice by the Secretary of any of the following occurrences,	
4	• • • •	ence action to terminate the leasehold:	
5	(1)	Failure to pay the annual rent in advance.	
6	(2)	Failure to file information required by the Secretary upon annual	
7		remittance of rental or filing false information on the form required to	
8		accompany the annual remittance of rental.	
9	(3)	Failure by new owner to report a transfer of beneficial ownership of all	
10		or any portion of or interest in the leasehold.	
11	(4)	Failure to mark the boundaries in the leasehold and to keep them	
12		marked as required in the rules of the Marine Fisheries Commission.	
13	(5)	Failure to utilize the leasehold on a continuing basis for the	
14		commercial production of shellfish.	
15	(6)	Transfer of all or part of the beneficial ownership of a leasehold to a	
16		nonresident.	
17	(7)	Substantial breach of compliance with the provisions of this Article or	
18		of rules of the Marine Fisheries Commission governing use of the	
19		leasehold.	
20		Fisheries Commission is authorized to make rules defining commercial	
21	<u>^</u>	shellfish, based upon the productive potential of particular areas climatic	
22	-	conditions at particular areas or particular times, availability of seed	
23		ability for purchase by lessees of shells or other material to which oyster	
24	· ·	ch, and the like. Commercial production may be defined in terms of	
25		made as well as in terms of quantities of shellfish harvested. Provided,	
26		f a lessee has made a diligent effort to effectively and efficiently manage	
27		rding to accepted standards and practices in such management, and	
28		sons beyond his control, such as acts of God, such lessee has not and	
29 20		he requirements set out by the Marine Fisheries Commission under the	
30	-	this paragraph of this subsection, his leasehold shall not be terminated (5) of this subsection	
31 32		ion (5) of this subsection.	
32 33		e event the leaseholder takes steps within 30 days to remedy the situation e notice of intention to terminate was based and the Secretary is satisfied	
33 34	*	on of the lease is in the best interests of the shellfish culture of the State,	
35		nay discontinue termination procedures. Where there is no discontinuance	
36	•	procedures, the leaseholder may appeal to the Marine Fisheries Commission.	
37		ested case by filing a petition under G.S. 150B-23 within 30 days of	
38	receipt of notice of intention to terminate. The Secretary shall make the final agence		
39	decision of all lease terminations. Where there is no appeal, or where an appeal does no		
40	prevail, the leaseholder does not initiate a contested case, or the Secretary's fina		
41	decision upholds termination, the Secretary must send a final letter of termination to the		
42	leaseholder. The final letter of termination may not be mailed sooner than 30 days after		
43		easeholder of the Secretary's notice of intention to terminateterminate, or	

of the Secretary's final agency decision, as appropriate. The lease is terminated effective 44

1 at midnight on the day the final notice of termination is served on the leaseholder. The

2 final notice of termination may not be issued pending hearing of any appeal by the Marine

3 Fisheries Commission. a contested case initiated by the leaseholder.

Service of any notice required in this subsection may be accomplished by certified mail, return receipt requested; personal service by any law-enforcement officer; or upon the failure of these two methods, publication. Service by publication shall be accomplished by publishing such notices in a newspaper of general circulation within the county where the lease is located for at least once a week for three successive weeks. The format for notice by publication shall be approved by the Attorney General.

10 (n) Upon final termination of any leasehold, the bottom in question is thrown open to the public for use in accordance with laws and rules governing use of public 11 12 grounds generally. Within 30 days of final termination of the leasehold, the former 13 leaseholder shall remove all abandoned markers denominating the area of the leasehold 14 as a private bottom. The State may, after 10 days' notice to the owner of the abandoned 15 markers thereof, remove the abandoned structure and have the area cleaned up. The 16 cost of such removal and cleanup shall be payable by the owner of the abandoned markers and the State may bring suit to recover the costs thereof. 17

18 Every year between January 1 and February 15 the Secretary must mail to all (0)19 leaseholders a notice of the annual rental due and include forms designed by him for determining the amount of shellfish or shells planted on the leasehold during the 20 21 preceding calendar year, and the amount of harvest gathered. Such forms may contain 22 other pertinent questions relating to the utilization of the leasehold in the best interests 23 of the shellfish culture of the State, and must be executed and returned by the 24 leaseholder with the payment of his rental. Any leaseholder or his agent executing such 25 forms for him who knowingly makes a false statement on such forms is guilty of a misdemeanor punishable in the discretion of the court. 26

27 All leases and renewal leases granted after the effective date of this Article (p) are made subject to this Article and to reasonable amendment of governing statutes, 28 rules of the Marine Fisheries Commission, and requirements imposed by the Secretary 29 30 or his agents in regulating the use of the leasehold or in processing applications of 31 rentals. This includes such statutory increase in rentals as may be necessitated by 32 changing conditions and refusal to renew lease after expiration, in the discretion of the 33 Marine Fisheries Commission. Secretary. No increase in rentals, however, may be given retroactive effect. 34

35 The General Assembly declares it to be contrary to public policy to the oyster and clam bottoms which were leased prior to January 1, 1966, and which are not being used 36 to produce oysters and clams in commercial quantities to continue to be held by private 37 38 individuals, thus depriving the public of a resource which belongs to all the people of 39 the State. Therefore, when the Secretary determines, after due notice to the lessee, and 40 after opportunity for the lessee to be heard, that oysters or clams are not being produced in commercial quantities, due to the lessee's failure to make diligent effort to produce 41 42 oysters and clams in commercial quantities, the Secretary may decline to renew, at the end of the current term, any oyster or clam bottom lease which was executed prior to 43 January 1, 1966. The lessee may appeal the denial of the Secretary to renew the lease to 44

1 the Marine Fisheries Commission in which event the lessee shall be granted an opportunity to be heard, de novo, by the Marine Fisheries Commission and by initiating a contested case 2 3 pursuant to G.S. 150B-23. In such contested cases, the burden of proof, by the greater weight of the evidence, shall be on the lessee. The Marine Fisheries Commission, by 4 5 majority vote, may affirm or reverse the action of the Secretary.- No appeal shall be allowed 6 from the action of the Marine Fisheries Commission. Secretary. 7 Repealed by Session Laws 1983, c. 621, s. 16, effective July 1, 1983." (q) 8 Sec. 2. G.S. 113-202.1 reads as rewritten: 9 "§ 113-202.1. Water column leases for aquaculture. To increase the productivity of leases for shellfish culture issued under G.S. 10 (a) 113-202, the Marine Fisheries Commission-Secretary may amend shellfish cultivation 11 leases to authorize use of the water column superjacent to the leased bottom under the 12 13 terms of this section when it-he determines the public interest will benefit from 14 amendment of the leases. Leases with water column amendments must produce shellfish in commercial quantities at four times the minimum production rate of leases 15 issued under G.S. 113-202, or any higher quantity required by the Marine Fisheries 16 17 Commission through duly adopted rules. Suitable areas for the authorization of water column use shall meet the 18 (b)following minimum standards: 19 20 Aquaculture use of the leased area must not significantly impair (1)21 navigation; 22 The leased area must not be within a navigation channel marked or (2)23 maintained by a state or federal agency; 24 The leased area must not be within an area traditionally used and (3) 25 available for fishing or hunting activities incompatible with the 26 activities proposed by the leaseholder, such as trawling or seining; Aquaculture use of the leased area must not significantly interfere with 27 (4) 28 the exercise of riparian rights by adjacent property owners including 29 access to navigation channels from piers or other means of access; and 30 Any additional standards, established by the Commission in duly (5) adopted rules, to protect the public interest in coastal fishing waters. 31 The Commission-Secretary shall not amend shellfish cultivation leases to 32 (c) authorize use of the water column unless: 33 34 The leaseholder submits an application, accompanied by a (1)nonrefundable application fee of one hundred dollars (\$100.00), which 35 36 conforms to the standards for lease applications in G.S. 113-202(d) 37 and the duly adopted rules of the Commission: The proposed amendment has been noticed consistent with G.S. 113-38 (2)39 202(f): 40 Public hearings have been conducted consistent with G.S. 113-202(g); (3) The aspects of the proposals which require use and dedication of the 41 (4) water column have been documented and are recognized by the 42 Commission-Secretary as commercially feasible forms of aquaculture 43 which will enhance shellfish production on the leased area; 44

1	(5) It is not feasible to undertake the aquaculture activity outside of coastal
2	fishing waters; and
3 4	(6) The authorized water column use has the least disruptive effect on other public trust uses of the waters of any available technology to
5	produce the shellfish identified in the proposal.
6	(d) Amendments of shellfish cultivation leases to authorize use of the water
7 8	column are issued for a period of five years or the remainder of the term of the lease, whichever is shorter. The annual rental for water column amendments is five hundred
9	dollars (\$500.00) per acre, prorated. The rental is in addition to that required in G.S.
10	113-202.
11	(e) Amendments of shellfish cultivation leases to authorize use of the water
12	column are subject to termination in accordance with the procedures established in G.S.
13	113-202 for the termination of shellfish cultivation leases. Additionally, such
14	amendments may be terminated for unauthorized or unlawful interference with the
15	exercise of public trust rights by the leaseholder, agents and employees of the
16	leaseholder.
17	(f) Amendments of shellfish cultivation leases to authorize use of the water
18	column are not transferrable except when the Commission Secretary approves the
19	transfer after public notice and hearing consistent with subsection (c) of this section.
20	(g) After public notice and hearing consistent with subsection (c) of this section,
21	the Commission-Secretary may renew an amendment, in whole or in part, when the
22	leaseholder has produced commercial quantities of shellfish and has otherwise complied
23	with the rules of the Commission. Renewals may be denied or reduced in scope when
24	the public interest so requires. Appeal of renewal decisions shall be conducted in
25	accordance with G.S. 113-202(p). Renewals are subject to the lease terms and rates
26	established in subsection (d) of this section.
27	(h) The procedures and requirements of G.S. 113-202 shall apply to proposed
28	amendments or amendments of shellfish cultivation leases considered under this section
29	except more specific provisions of this section control conflicts between the two
30	sections.
31	(i) To the extent required by demonstration or research aquaculture development
32	projects, the Commission Secretary may amend existing leases and issue leases that
33	authorize use of the bottom and the water column. Demonstration or research
34	aquaculture development projects may be authorized for two years with no more than
35	one renewal and when the project is proposed or formally sponsored by an educational
36	institution which conducts research or demonstration of aquaculture. Production of
37	shellfish with a sales value in excess of one thousand dollars (\$1,000) per acre per year
38	shall constitute commercial production. Demonstration or research aquaculture
39	development projects shall be exempt for the rental rate in subsection (d) of this section
40	unless commercial production occurs as a result of the project."
41	Sec. 3. G.S. 113-202.2 reads as rewritten:
42	"§ 113-202.2. Water column leases for aquaculture for perpetual franchises.
43	(a) To increase the productivity of shellfish grants and perpetual franchises for
44	shellfish culture recognized under G.S. 113-206, the Marine Fisheries Commission

1 2		ease the water column superjacent to such grants or perpetual franchises 'petual franchises') under the terms of this section when it determines the	
3	· ·	will benefit from the lease. Perpetual franchises with water column	
4	leases must produce shellfish in commercial quantities at four times the minimum		
5	production rate of leases issued under G.S. 113-202, or any higher quantity required by		
6	the <u>Marine Fisheries</u> Commission by rule.		
7		ble areas for the authorization of water column use shall meet the	
8	following minin		
9	(1)	Aquaculture use of the leased water column area must not significantly	
10		impair navigation;	
11	(2)	The leased water column area must not be within a navigation channel	
12		marked or maintained by a State or federal agency;	
13	(3)	The leased water column area must not be within an area traditionally	
14		used and available for fishing or hunting activities incompatible with	
15		the activities proposed by the perpetual franchise holder, such as	
16		trawling or seining;	
17	(4)	Aquaculture use of the leased water column area must not significantly	
18		interfere with the exercise of riparian rights by adjacent property	
19		owners including access to navigation channels from piers or other	
20		means of access;	
21	(5)	The leased water column area may not exceed 10 acres for grants or	
22		perpetual franchises recognized pursuant to G.S. 113-206;	
23	(6)	The leased water column area must not extend more than one-third of	
24		the distance across any body of water or into the channel third of any	
25 26		body of water for grants or perpetual franchises recognized pursuant to $C = 112, 206$; and	
26 27	(7)	G.S. 113-206; and Any additional rules to protect the public interest in coastal fishing	
28	(\prime)	waters adopted by the Commission.	
28 29	(c) The	Commission-Secretary shall not lease the water column superjacent to	
30	. ,	shellfish grants or perpetual franchises unless:	
31	(1)	The perpetual franchise holder submits an application, accompanied by	
32	(1)	a nonrefundable application fee of one hundred dollars (\$100.00),	
33		which conforms to the standards for lease applications in G.S. 113-	
34		202(d) and rules adopted by the Commission;	
35	(2)	Notice of the proposed lease has been given consistent with G.S. 113-	
36		202(f);	
37	(3)	Public hearings have been conducted consistent with G.S. 113-202(g);	
38	(4)	The aspects of the proposals which require use and dedication of the	
39		water column have been documented and are recognized by the	
40		Commission-Secretary as commercially feasible forms of aquaculture	
41		which will enhance shellfish production;	
42	(5)	It is not feasible to undertake the aquaculture activity outside of coastal	
43		fishing waters; and	

1993

1	(6) The authorized water column use has the least disruptive effect on
2	other public trust uses of the waters of any available technology to
3	produce the shellfish identified in the proposal.
4	(d) Water column leases to perpetual franchises shall be issued for a period of
5	five years and may be renewed pursuant to subsection (g) of this section. The annual
6	rental for water column leases shall be five hundred dollars (\$500.00) per acre, prorated,
7	or the then current renewal rate, whichever is greater.
8 9	(e) Water column leases to perpetual franchises may be terminated for unauthorized or unlawful interference with the exercise of public trust rights by the
9 10	leaseholder or his agents or employees.
10	(f) Water column leases to perpetual franchises are not transferrable except when
12	the <u>Commission</u> <u>Secretary</u> approves the transfer after public notice and hearing
12	consistent with G.S. 113-202(f) and (g).
13 14	(g) After public notice and hearing consistent with G.S. 113-202(f) and (g), the
14	<u>Commission–Secretary</u> may renew a water column lease, in whole or in part, if the
16	leaseholder has produced commercial quantities of shellfish and has otherwise complied
17	with this section and the rules of the Commission. Renewals may be denied or reduced
18	in scope when the public interest so requires. Appeal of renewal decisions shall be
19	conducted in accordance with G.S. 113-202(p). Renewals are subject to the lease terms
20	and rates set out in subsection (d) of this section.
21	(h) The procedures and requirements of G.S. 113-202 shall apply to proposed
22	water column leases or water column leases to perpetual franchises considered under
23	this section except that more specific provisions of this section control conflicts between
24	the two sections.
25	(i) Demonstration or research aquaculture development projects may be
26	authorized for two years with no more than one renewal and when the project is
27	proposed or formally sponsored by an educational institution which conducts
28	aquaculture research or demonstration projects. Production of shellfish with a sales
29	value in excess of one thousand dollars (\$1,000) per acre per year shall constitute
30	commercial production. Demonstration or research aquaculture development projects
31	shall be exempt from the rental rate in subsection (d) of this section unless commercial
32	production occurs as a result of the project."
33	Sec. 4. G.S. 143B-289.4(2) reads as rewritten:
34	"(2) The Marine Fisheries Commission shall have the power and duty to
35	establish standards and adopt rules:
36	(a) Implementing the provisions of Subchapter IV of Chapter 113
37	as provided in G.S. 113-134 of the General Statutes of the State
38	of North Carolina;
39	(b) For the disposition of confiscated property as set forth in G.S.
40	(i) 113-137;
41	(c) Governing all license requirements and taxes prescribed in
42	Chapter 113, Article 14;
43	(d) Governing the importation and exportation of fish, and
44	equipment that may be used in taking or processing fish, as

1993		GENERAL ASSEMBLY OF NORTH CAROLINA
		necessary to enhance the conservation of marine and estuarine resources of North Carolina as provided in G.S. 113-160;
	(e)	Governing the possession, transportation and disposition of seafood, as provided in G.S. 113-164;
	(f)	Regarding the disposition of the young of edible fish, as provided by G.S. 113-185;
	(g)	Regarding the leasing of public grounds for aquaculture, including oysters and clam production, as provided in G.S. 113-
	(h)	202; Governing utilization of private fisheries, as provided in G.S.
	(i)	113-205; Imposing further restrictions upon the throwing of fish offal in any coastal fishing waters, as provided in G.S. 113-265;
	(j)	Governing the location and utilization of artificial reefs in coastal waters; and
	(k)	Regulating the placement of nets and other sports or commercial fishing apparatus in coastal fishing waters with
		regard to navigational or recreational safety as well as from a conservation standpoint."
	Sec. 5. This	act is effective upon ratification.