

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 121  
Committee Substitute Favorable 3/3/21  
Senate Agriculture, Energy, and Environment Committee Substitute Adopted 6/15/21  
Senate Transportation Committee Substitute Adopted 8/4/21

Short Title: Clarify EQIP Funding/Dredging Cost-Share.

(Public)

Sponsors:

Referred to:

February 23, 2021

A BILL TO BE ENTITLED  
AN ACT TO CLARIFY FUNDING OF CERTAIN WATER RESOURCES PROJECTS  
UNDER THE ENVIRONMENTAL QUALITY INCENTIVES PROGRAM, TO EXEMPT  
CERTAIN DREDGING PROJECTS FOR FERRY CHANNELS FROM SHALLOW  
DRAFT NAVIGATION CHANNEL DREDGING AND AQUATIC WEED FUND  
COST-SHARE REQUIREMENTS, AND TO EXTEND THE HATTERAS-OCRACOKE  
PASSENGER FERRY LEASE.

The General Assembly of North Carolina enacts:

**SECTION 1.** Subsection 11(f) of S.L. 2020-79 reads as rewritten:

**"SECTION 11.(f) Maximum Share.** – Notwithstanding any provision of law to the contrary, funds appropriated for a water resources development project shall be used to provide no more than fifty percent (50%) of the nonfederal portion of funds for the project. This subsection applies to funds appropriated in this act and to funds appropriated prior to the 2019-2021 fiscal biennium that are unencumbered and proposed for reallocation to provide the nonfederal portion of funds for water resources development projects. The limitation on fund usage contained in this subsection applies only to projects in which a local government or local governments participate. This subsection shall not apply to, and there shall be no local match required for, the Environmental Quality Incentives Program (EQIP). Furthermore, Section 36.3(e) of S.L. 2013-360, Section 36.2(e) of S.L. 2014-100, and Section 31.3(e) of S.L. 2015-241 shall not apply to funds made available as part of EQIP in any fiscal year, including prior years. For purposes of this subsection, a single project shall consist of all the landowners and other participants under a project design contract approved by the Natural Resource Conservation Service under the EQIP program along a contiguous stretch of stream."

**SECTION 2.** G.S. 143-215.73F is amended by adding a new subsection to read:

**"(c1) Cost-Share Exemption for DOT Ferry Channel Projects.** – Notwithstanding the cost-share requirements of subdivision (1) of subsection (c) of this section, no cost-share shall be required for dredging projects located, in whole or part, in a development tier one area for a ferry channel maintained by the North Carolina Department of Transportation."

**SECTION 3.(a)** Section 3 of S.L. 2021-33 reads as rewritten:

**"SECTION 3.** Notwithstanding Article 8 of Chapter 143 of the General Statutes, G.S. 136-28.1, and any other provision of law to the contrary, the Department of Transportation, Ferry Division, shall lease a passenger ferry vessel for operation between Hatteras and Ocracoke. The term of the lease shall end no later than ~~August 15, 2021~~ September 12, 2021. Except as otherwise provided in this section, of the funds appropriated in S.L. 2020-91 from the Highway



1 Fund to the Department of Transportation, the sum of seven hundred thousand dollars (\$700,000)  
2 in nonrecurring funds shall be used by the Division to lease and operate the ferry. The Division  
3 shall exercise the opt-out clause of the lease when the Division determines the State-owned ferry  
4 for passenger service on the Hatteras-Ocracoke route can be operationalized within 30 days if  
5 the cost of opting out is less than the cost of completing the term of the lease. Following the  
6 expiration or termination of the lease, any remaining funds shall be deposited in the Ferry  
7 Systemwide reserve account established in G.S. 136-82(f2) for use in accordance with that  
8 subsection."

9       **SECTION 3.(b)** Of the funds appropriated from the Highway Fund to the  
10 Department of Transportation for the 2021-2022 fiscal year, the Department may use up to two  
11 hundred twenty thousand dollars (\$220,000) in nonrecurring funds to extend the passenger ferry  
12 lease authorized by Section 3 of S.L. 2021-33, as amended by subsection (a) of this section.

13       **SECTION 4.** This act is effective when it becomes law.