

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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SENATE BILL 58

Agriculture/Environment/Natural Resources Committee Substitute Adopted 3/5/13  
PROPOSED COMMITTEE SUBSTITUTE S58-PCS75301-SBxf-3

Short Title: Increase Funding for Dredging.

(Public)

Sponsors:

Referred to:

February 6, 2013

A BILL TO BE ENTITLED

AN ACT TO PROVIDE ADDITIONAL FUNDING FOR DREDGING OF THE STATE'S  
SHALLOW DRAFT NAVIGATION CHANNELS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 75A-3 reads as rewritten:

**"§ 75A-3. Wildlife Resources Commission to administer Chapter; Vessel Committee; funds for administration.**

(a) The Commission shall enforce and administer the provisions of this Chapter.

(b) The chair of the Commission shall designate from among the members of the Commission three members who shall serve as the Vessel Committee of the Commission, and who shall, in their activities with the Commission, place special emphasis on the administration and enforcement of this Chapter.

(c) The Boating Account is established within the Wildlife Resources Fund created under G.S. 143-250. Interest and other investment income earned by the Account accrues to the Account. All moneys collected pursuant to the numbering and titling provisions of this Chapter shall be credited to this Account. Motor fuel excise tax revenue is credited to the Account under G.S. 105-449.126. The Commission shall use revenue in the Account, subject to the Executive Budget Act and the Personnel Act, for the administration and enforcement of this Chapter; for activities relating to boating and water safety including education and waterway marking and improvement; and for boating access area acquisition, development, and maintenance. The Commission shall use at least three dollars (\$3.00) of each one-year certificate of number fee and at least nine dollars (\$9.00) of each three-year certificate of number fee collected under the numbering provisions of G.S. 75A-5 for boating access area acquisition, development, and maintenance. The Commission shall transfer on a quarterly basis forty-five percent (45%) of each one-year certificate of number fee and forty-five percent (45%) of each three-year certificate of number fee collected under the numbering provisions of G.S. 75A-5 to the Shallow Draft Navigation Channel Dredging Fund established by G.S. 143-215.73F."

**SECTION 2.** G.S. 75A-5 reads as rewritten:

**"§ 75A-5. Application for certificate of ~~number and fees;~~ number; fees; reciprocity; change of ownership; conformity with federal regulations; records; award of certificates; renewal of certificates; transfer of partial interest; destroyed or junked vessels; abandonment; change of address; duplicate certificates; display.**



\* S 5 8 - P C S 7 5 3 0 1 - S B X F - 3 \*

1 (a) Application for Certificate of ~~Number and Fees~~.~~Number~~. – The owner of each  
2 vessel requiring numbering by this State shall file an application for a certificate of number  
3 with the Commission. The Commission shall furnish application forms and shall prescribe the  
4 information contained in the application form. The application shall be signed by the owner of  
5 the vessel or the owner's agent and shall be accompanied by a fee. ~~The fee is fifteen dollars~~  
6 ~~(\$15.00) for a one-year period or forty dollars (\$40.00) for a three-year period fee, as set out in~~  
7 subsection (a1) of this section. The fee does not apply to vessels owned and operated by  
8 nonprofit rescue squads if they are operated exclusively for rescue purposes, including rescue  
9 training. The owner shall have the option of selecting a one-year numbering period or a  
10 three-year numbering period. Upon receipt of the application in approved form, the  
11 Commission shall enter the application in its records and issue the owner a certificate of  
12 number stating the identification number awarded to the vessel and the name and address of the  
13 owner, and a validation decal indicating the expiration date of the certificate of number. The  
14 owner shall paint on or attach to each side of the bow of the vessel the identification number in  
15 such manner as may be prescribed by rules of the Commission in order that it may be clearly  
16 visible. The identification number shall be maintained in legible condition. The validation decal  
17 shall be displayed on the starboard bow of the vessel immediately following the number. The  
18 certificate of number shall be pocket size and shall be available for inspection on the vessel for  
19 which the certificate is issued at all times the vessel is in operation. Any person charged with  
20 failing to so carry a certificate of number shall not be convicted if the person produces in court  
21 a certificate of number previously issued to the owner that was valid at the time of the alleged  
22 violation.

23 (a1) Fees. – The fees for certificates of number are as set out in this subsection:

24 (1) The fee for a certificate of number for a one-year period is:

25 a. Twenty-five dollars (\$25.00) for a vessel that is less than 26 feet in  
26 length.

27 b. Fifty dollars (\$50.00) for a vessel that is 26 feet or more in length.

28 (2) The fee for a certificate of number for a three-year period is:

29 a. Seventy-five dollars (\$75.00) for a vessel that is less than 26 feet in  
30 length.

31 b. One hundred fifty dollars (\$150.00) for a vessel that is 26 feet or  
32 more in length.

33 (b) Reciprocity. – The owner of any vessel already covered by a number in full force  
34 and effect pursuant to federal law or a federally approved numbering system of another state  
35 shall record the identification number prior to operating the vessel on the waters of this State in  
36 excess of the 90-day reciprocity period provided for in G.S. 75A-7(a)(1). The recordation shall  
37 be made pursuant to subsection (a) of this section, except that no additional or substitute  
38 identification number shall be issued.

39 (c) Change of Ownership. – Should the ownership of a vessel change, a new application  
40 form with a fee in the amount set in subsection ~~(a)~~(a1) of this section shall be filed with the  
41 Commission and a new certificate bearing the same identification number shall be awarded to  
42 the new owner in the same manner as an original certificate of number. Possession of the  
43 certificate shall in cases involving prosecution for violation of any provision of this Chapter be  
44 prima facie evidence that the person whose name appears on the certificate is the owner of the  
45 vessel referred to on the certificate.

46 (d) Conformity With Federal Regulations. – In the event that an agency of the federal  
47 government shall have in force an over-all system of identification numbering for vessels  
48 within the United States, the numbering system employed pursuant to this Chapter by the  
49 Commission shall be in conformity therewith.

50 (e) Repealed by Session Laws 2006-185, s. 1.

1 (f) Records. – All records of the Commission made or kept pursuant to this section  
2 shall be public records.

3 (g) Award of Certificates. – Each certificate of number awarded pursuant to this  
4 Chapter, unless sooner terminated or discontinued in accordance with the provisions of this  
5 Chapter, shall continue in full force and effect to and including the last day of the month during  
6 which the certificate was awarded after the lapse of one year in the case of a one-year  
7 certificate or three years in the case of a three-year certificate. No person shall willfully remove  
8 a validation decal from any vessel during the continuance of its validity or alter, counterfeit, or  
9 otherwise tamper with a validation decal attached to any vessel for the purpose of changing or  
10 obscuring the indicated date of expiration of the certificate of number of the vessel.

11 (h) Renewal of Certificates. – An owner of a vessel awarded a certificate of number  
12 pursuant to this Chapter shall renew the certificate on or before the first day of the month after  
13 which the certificate expires; otherwise, the certificate shall lapse and be void until such time as  
14 it may thereafter be renewed. Application for renewal shall be submitted on a form approved by  
15 the Commission and shall be accompanied by a fee in the amount set in subsection (a)(a1) of  
16 this section. ~~No fee is required for a period of one year for renewal of certificates of number  
17 that have been previously issued to commercial fishing vessels as defined in G.S. 75A-5.1,  
18 upon compliance with all of the requirements of that section.~~

19 (i) Transfer of Partial Interest. – The owner shall furnish the Commission notice of the  
20 transfer of any part of the owner's interest other than the creation of a security interest in a  
21 vessel numbered in this State pursuant to subsections (a) and (b) of this section within 15 days  
22 of the transfer. A transfer of partial interest in a vessel shall not affect the owner's right to  
23 operate the vessel, nor shall a transfer of partial interest in a vessel terminate the certificate of  
24 number.

25 (i1) Destroyed or Junked Vessels. – The owner of any destroyed or junked vessel shall  
26 furnish the Commission notice of the destruction or junking of that vessel within 15 days of its  
27 occurrence. Destruction or junking terminates the certificate of number and renders the hull  
28 identification number invalid for that vessel.

29 (i2) Abandonment. – A person may acquire ownership of an abandoned vessel by  
30 providing proof to the Commission that the lawful owner has actually abandoned the vessel.  
31 The Commission shall adopt rules by which a person seeking to acquire ownership may  
32 demonstrate that the vessel is actually abandoned. At a minimum, the rules shall provide for a  
33 reasonable attempt to locate the lawful owner and, if the owner is located, notice by the  
34 claimant of an intention to claim ownership of the vessel.

35 (j) Change of Address. – Whenever any person, after applying for or obtaining the  
36 certificate of number of a vessel, moves from the address shown in the application or upon the  
37 certificate of number, that person shall notify the Commission of the change of address within  
38 30 days of moving in a form acceptable to the Commission.

39 (j1) Duplicate Certificates. – The Commission shall issue a duplicate certificate of  
40 number for a vessel upon application by the person entitled to hold the certificate, if the  
41 Commission is satisfied that the original certificate of number has been lost, stolen, mutilated,  
42 or destroyed, or has become illegible. The Commission shall charge a fee of five dollars (\$5.00)  
43 for issuance of each duplicate certificate.

44 (k) Display. – No number other than the identification number set forth in the certificate  
45 of number or granted reciprocity pursuant to this Chapter shall be painted, attached, or  
46 otherwise displayed on either side of the bow of a vessel, except the validation decal required  
47 by subsection (a) of this section.

48 (l) Repealed by Session Laws 2006-185, s. 1."

49 **SECTION 3. G.S. 75A-5.1 is repealed.**

50 **SECTION 4. G.S. 75A-7 reads as rewritten:**

51 **"§ 75A-7. Exemption from numbering requirements.**

1 (a) A vessel shall not be required to be numbered under this Chapter if it is:

- 2 (1) A vessel that is required to be awarded an identification number pursuant to  
3 federal law or a federally approved numbering system of another state, and  
4 for which an identification number has been so awarded: Provided, that any  
5 such vessel shall not have been within this State for a period in excess of 90  
6 consecutive days.  
7 (2) A vessel from a country other than the United States temporarily using the  
8 waters of this State.  
9 (3) A vessel whose owner is the United States, a state or a subdivision thereof.  
10 (4) A ship's lifeboat.  
11 ~~(5) A vessel that has a valid marine document issued by the federal Bureau of~~  
12 ~~Customs or any federal agency successor thereto.~~  
13 (6) A sailboat of not more than 14 feet on the load water line (LWL).  
14 (7) A vessel with no means of propulsion other than drifting or manual  
15 paddling, poling, or rowing.

16 (b) The Commission is hereby empowered to permit the voluntary numbering of vessels  
17 owned by the United States, a state or a subdivision thereof.

18 (c) Those vessels owned by the United States, a state or a subdivision thereof and those  
19 owned by nonprofit rescue squads may be assigned a certificate of number bearing no  
20 expiration date but which shall be stamped with the word "permanent" and shall not be  
21 renewable so long as the vessel remains the property of the governmental entity or nonprofit  
22 rescue squad. If the ownership of any such vessel is transferred from one governmental entity  
23 to another or to a nonprofit rescue squad or if a vessel owned by a nonprofit rescue squad is  
24 transferred to another nonprofit rescue squad or governmental entity, the Commission shall  
25 issue a new permanent certificate of number, displaying the same identification number,  
26 without charge to the successor entity. When any such vessel is sold to a private owner or is  
27 otherwise transferred to private ownership, the applicable certificate of number shall be deemed  
28 to have expired immediately prior to the transfer. Prior to further use on the waters of this State,  
29 the new owner shall obtain a certificate of number pursuant to the provisions of this Chapter.  
30 The provisions of this subsection applicable to a vessel owned by a nonprofit rescue squad  
31 apply only to a vessel operated exclusively for rescue purposes, including rescue training."

32 **SECTION 5.** G.S. 75A-34 reads as rewritten:

33 **"§ 75A-34. Who may apply for certificate of title; authority of employees of Commission.**

34 (a) Any owner of a motorized vessel or sailboat 14 feet or longer or any personal  
35 watercraft, as defined in G.S. 75A-13.3(a), that is applying for a certificate of number for the  
36 first time in this State pursuant to G.S. 75A-5(a), and any new owner of a motorized vessel or  
37 sailboat 14 feet or longer or any personal watercraft to whom ownership is being transferred  
38 under G.S. 75A-5(c) shall apply to the Commission for a certificate of title for that vessel. Any  
39 other vessel may be titled in this State at the owner's option. A vessel may not be titled in this  
40 State if it is titled in another state, unless the current title is surrendered along with the  
41 application for a certificate of title in this State. The Commission shall issue a certificate of title  
42 upon reasonable evidence of ownership, which may be established by affidavit, bill of sale,  
43 manufacturer's statement of origin, certificate of title in this State, certificate of number or title  
44 from another state, or other document satisfactory to the Commission. Only one certificate of  
45 title may be issued for any vessel in this State. A vessel may not be titled in this State if it is  
46 documented with the United States Coast Guard-Guard, unless the documentation has expired  
47 or been deleted by the United States Coast Guard. The Commission shall issue a certificate of  
48 title upon receipt of a completed application, along with the appropriate fee and reasonable  
49 evidence of ownership. The Commission shall require a manufacturer's statement of origin for  
50 all new vessels being issued a certificate of number and a certificate of title for the first time.  
51 The Commission may request a pencil tracing of the hull identification number (serial number)

1 for vessels being transferred, in order to positively identify the vessel before issuance of a  
2 certificate of title for that vessel.

3 (b) Employees of the Commission are vested with the power to administer oaths and to  
4 take acknowledgements and affidavits incidental to the administration and enforcement of this  
5 section. They shall receive no compensation for these services."

6 **SECTION 6.** G.S. 75A-38 reads as rewritten:

7 "**§ 75A-38. Commission's records; fees.**

8 (a) The Commission shall maintain a record of any title it issues.

9 (b) The Commission shall charge a fee of ~~twenty dollars (\$20.00)~~ thirty dollars (\$30.00)  
10 to issue a new or transfer certificate of title. The Commission shall transfer on a quarterly basis  
11 at least ten dollars (\$10.00) of each new or transfer certificate of title to the Shallow Draft  
12 Navigation Channel Dredging Fund established by G.S. 143-215.73F. The Commission shall  
13 charge a fee of ten dollars (\$10.00) for each duplicate title it issues and for the recording of a  
14 supplemental lien."

15 **SECTION 7.** G.S. 105-449.126 reads as rewritten:

16 "**§ 105-449.126. Distribution of part of Highway Fund allocation to Wildlife Resources**  
17 **Fund, Fund and Shallow Draft Navigation Channel Dredging Fund.**

18 (a) The Secretary shall credit to the Wildlife Resources Fund one-sixth of one percent  
19 (1/6 of 1%) of the amount that is allocated to the Highway Fund under G.S. 105-449.125 and is  
20 from the excise tax on motor fuel. Revenue credited to the Wildlife Resources Fund under this  
21 section may be used only for the boating and water safety activities described in G.S. 75A-3(c).  
22 The Secretary must credit revenue to the Wildlife Resources Fund on an annual basis.

23 (b) The Secretary shall credit to the Shallow Draft Navigation Channel Dredging Fund  
24 one-sixth of one percent (1/6 of 1%) of the amount that is allocated to the Highway Fund under  
25 G.S. 105-449.125 and is from the excise tax on motor fuel. Revenue credited to the Shallow  
26 Draft Navigation Channel Dredging Fund under this section may be used only for the dredging  
27 activities described in G.S. 143-215.73F. The Secretary must credit revenue to the Shallow  
28 Draft Navigation Channel Dredging Fund on an annual basis."

29 **SECTION 8.** Article 21 of Chapter 143 of the General Statutes is amended by  
30 adding a new Part to read:

31 "Part 8B. Shallow Draft Navigation Channel Dredging Fund.

32 "**§ 143-215.73F. Shallow Draft Navigation Channel Dredging Fund.**

33 The Shallow Draft Navigation Channel Dredging Fund is established as a special revenue  
34 fund. The Fund consists of fees credited to it under G.S. 75A-3, 75A-38, and 105-449.126.  
35 Revenue in the Fund may only be used to provide the State's share of the costs associated with  
36 any dredging project designed to keep a shallow draft navigation channel located in State  
37 waters navigable and safe. Any project funded by revenue from the Fund must be cost-shared  
38 with non-State dollars on a one-to-one basis. For purposes of this section, "shallow draft  
39 navigation channel" means (i) a waterway connection, with a maximum depth of 14 feet,  
40 between the Atlantic Ocean and a bay or the Atlantic Intracoastal Waterway; (ii) a river  
41 entrance to the Atlantic Ocean through which tidal and other currents flow; or (iii) other  
42 interior coastal waterways."

43 **SECTION 9.** Nothing in this act shall affect the validity, term, or cost of any  
44 certificate of number or certificate of title issued prior to July 1, 2013.

45 **SECTION 10.** This act becomes effective October 1, 2013.