

1973 REPORT

LEGISLATIVE RESEARCH COMMISSION

A SALE WATER SPORTS FISHING PROGRAM

TO THE MEMBERS OF THE GENERAL ASSEMBLY

The Legislative Research Commission herewith reports to the 1973 General Assembly its findings and recommendations concerning a salt water sports fishing program. This report is made pursuant to Senate Resolution 961, adopted by the 1971 General Assembly, which directed the Commission to study certain listed subjects and "such other environmental protection or natural resource management subjects not specifically assigned by law or resolution to another legislative study commission as the Commission may deem appropriate." This study was initiated at the request of Commissioner of Commercial and Sports Fisheries, Dr. Thomas Linton, by the Committee on Environmental Studies. This Committee, which was appointed by the Commission to carry out its study functions under SR 961, consisted of:

Sen. William W. Staton, Co-Chm.	Sen. Lennox P. McLendon, Jr.
Rep. William R. Roberson, Jr., Co-Chm.	Sen. William D. Mills
Rep. P. C. Collins, Jr.	Sen. Marshall A. Rauch
Rep. Jack Gardner	Sen. Norris C. Reed, Jr.
Rep. W. S. Harris, Jr.	Rep. Carl M. Smith
Sen. Hamilton C. Horton, Jr.	Rep. Charles H. Taylor
Rep. W. Craig Lawing	Sen. Stewart B. Warren, Jr.

Respectfully,

Philip P. Godwin, Speaker

Senator Gordon Allen

Co-Chairmen, Legislative Research Commission

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INTRODUCTION

At the request of the Commissioner of Commercial and Sports Fisheries, Dr. Thomas Linton, the Committee on Environmental Studies heard a request for support of a salt water fishing program. A number of witnesses from the coastal area appeared to testify in support of this program (see Appendix B). The program is also endorsed by the Department of Natural and Economic Resources.

Evidence Submitted for the Proposal

The requested program would provide increased state support for the promotion and improvement of salt water sports fisheries in North Carolina. It would enlarge the activities of the Division of Commercial and Sports Fisheries, so as to enable that Division to conduct a more balanced program of sports fishing as well as commercial fishing.

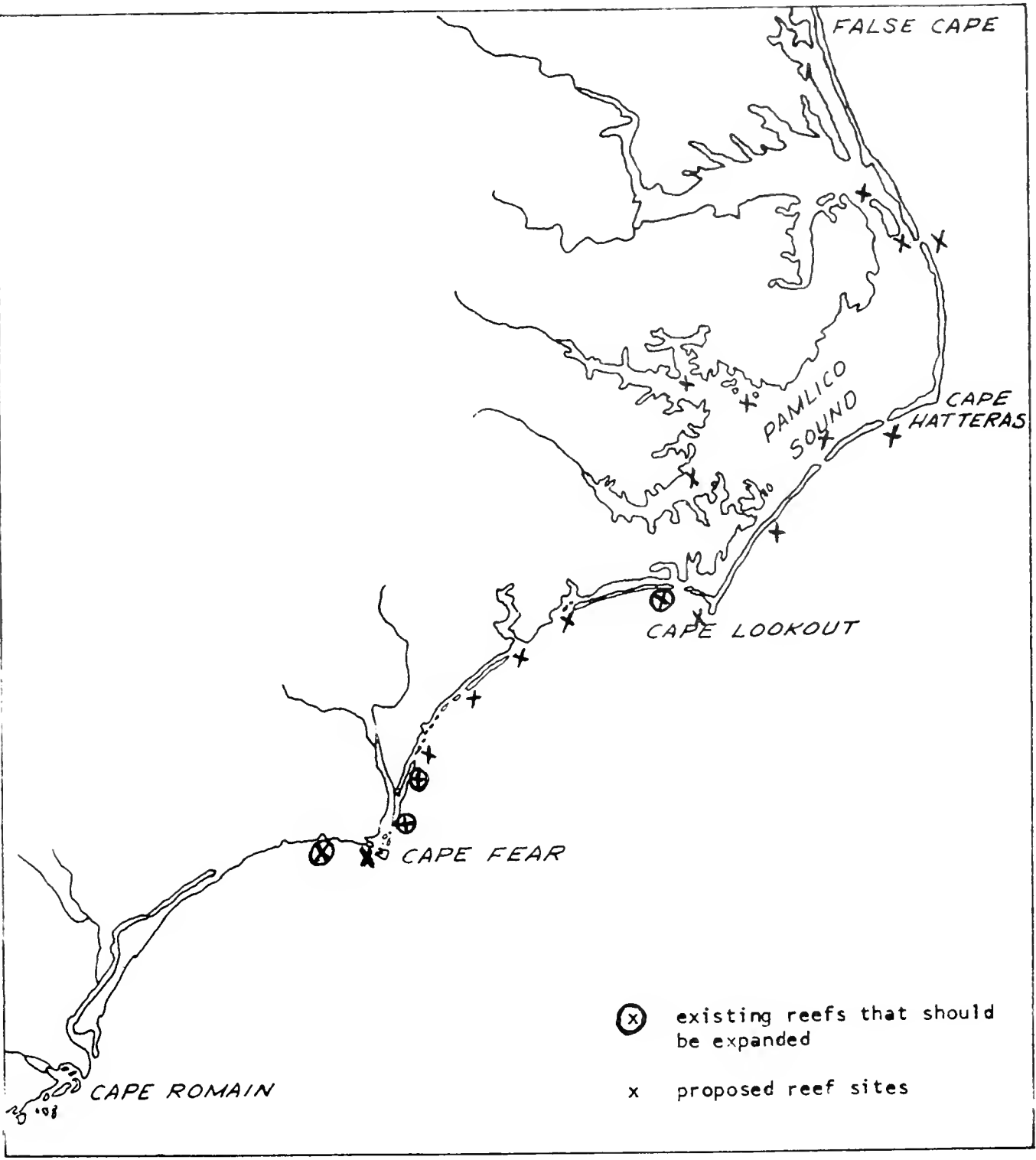
Essentially, the request seeks additional state financial support for a program of artificial reef construction to foster offshore fisheries, and for promotional activities to stimulate an increase in salt water sports fishing and tourism. The requested support involves a small additional appropriation and an allocation of gasoline tax revenues.

The reef construction proposal would utilize discarded automobile tires, primarily, in the construction of artificial reefs. Such a program would have the beneficial effect of providing a partial solution to the disposal of solid waste, such as automobile tires. Expertise and interest exists in this State through federal, state, local and private elements to conduct such a program. Offers providing partial funding have been made by private interests as well as municipal. The program could take the form of a matching funds operation between the federal and state government and the county. In

addition, funds from private sources could be incorporated for execution of the program. The benefit to the inland counties would be in the form of the disposal of a major solid waste (tires). The coastal counties would benefit also by enhancing their fishing potential and increased tourist trade.

In the reef construction phase of the program, it is proposed that cities such as Southport, Wilmington, Morehead City and Manteo be designated as staging areas. There the tires that are to be used in reef construction could be brought in and made ready for deposition at the reef site. A more thorough investigation of the reef sites would be made by Division of Commercial and Sports Fisheries personnel. Tentative sites already have been located based upon an investigation previously conducted by the Division (see attached map). Inquiries to areas within approximately twenty-five miles of the coast would be made to determine their interest in participating in a cost-sharing type program to move the discarded automobile tires from these counties to the staging sites mentioned above. Under the supervision of the Division of Commercial and Sports Fisheries, a system would be developed for movement of the tires from the staging areas to the reef sites and placed thereon. This could either be done by a cooperative arrangement with sports fishing clubs, county units of government, or through the use of fishing vessels manned by Division personnel. Marking of the reef sites with floating buoys would be the responsibility of either a specific fishing club or the Division of Commercial and Sports Fisheries.

Another possible approach to artificial reef development would involve the use of surplus "Liberty Ships" recently made available to the states for this purpose by act of Congress. A request has been made by the Governor's Office for a tentative reservation of ten ships for the use of this state, contingent on the availability of funds.



⊗ existing reefs that should be expanded

x proposed reef sites

Lockwood Folly Inlet
 near Caswell Beach
 off Carolina Beach
 off Wrightsville Beach
 near Mason Inlet
 near New Topsail Inlet

near New River Inlet
 near Bogue Inlet
 near Atlantic Beach
 near Cape Lookout
 near Drum Inlet
 near Hatteras Inlet

near Oregon Inlet
 north and south ends of
 Roanoke Island
 near Ocracoke in Pamlico
 Sound
 near Swanquarter
 near Pamlico Beach
 near Oriental

A second phase of the proposed program would be the promotion of the salt-water sports fishing industry, to increase the tourist industry that is based upon salt-water sports fishing along the coast. The State of Virginia, some eleven years ago, established a citation and awards program where awards are given for record sized fish and unusual fish. If a species of low population is involved, such as the blue marlin, a certificate of release is given. The weight of the fish is estimated and an affidavit sworn to by the boat captain or some other responsible person. Instead of bringing the trophy fish in and letting it lie on the dock to be discarded, as they are in most cases, the fish are returned to the water. This approach has worked quite well in Virginia. In North Carolina, the citation and awards program could be coupled with promotional support from the Division of Travel and Promotion.

Proposed Financing

It was proposed that the artificial reef portion of this program and the citation and awards portion of this program be funded through a combination of a small appropriation from the General Fund and the commitment of a portion of the State Motor Fuel Tax. \$25,000 per year was requested in appropriations for each year of the 1973-75 biennium. In addition it was proposed that 1/8 of 1% of the net proceeds of the gasoline tax be permanently allocated and earmarked to the Division of Commercial and Sports Fisheries for support of sports fishing programs. This allocation would probably yield approximately \$250,000 in net annual revenues.

The Outboard Boating Club of America estimates North Carolina boat owners pay over one million dollars in fuel taxes annually. It has been estimated by the Research Triangle Institute that of those individuals eligible to receive a rebate through the non-highway use provision of the law, a relatively

small percentage do so. As a result money approaching 3/4 million dollars accumulates in the Highway Commission's non-designated fund each year.

More than half of the motor boats used in North Carolina are used in coastal fishing waters. Thus, it appears that the requested allocation would probably average about one-half of the unclaimed revenues attributable to coastal fishing. To support the sports fishing program through the use of a small portion of motor fuel tax fund, it was urged, would therefore be simply returning monies to the area where they were generated to provide a needed service. The success of the Wildlife Resources Commission's program of service to the boating public through the use of funds they receive from the one-eighth of one per cent of the motor fuel tax substantiates this contention (i.e., in excess of one hundred boating access facilities have been constructed and maintained using a portion of these funds).

FINDINGS AND RECOMMENDATIONS

(1) The Commission finds that the proposed program of artificial reef construction and promotion of salt water sports fishing would bring great benefits, especially to the coastal region of North Carolina, by:

- (a) Increasing salt water fish populations.
- (b) Promoting increased tourism.
- (c) Providing a partial solution to the problem of disposing of solid wastes, particularly discarded tires.

(2) The Commission recommends the approval of the funding requested to support the proposed programs, that is:

- (a) A General Fund appropriation of \$25,000 per year for each year of the 1973-75 biennium.
- (b) The permanent allocation and earmarking of 1/8 of 1% of the net proceeds of the gasoline tax to the Division of Commercial and Sports Fisheries (DNER) to support its expanded activities.

To implement these recommendations, the Commission proposes the enactment of the bills set forth in Appendix C of this report. ("A bill to be entitled an Act to provide the Division of Commercial and Sports Fisheries, Department of Natural and Economic Resources, with partial net proceeds of gasoline taxes." Also, "A bill to be entitled an Act to provide appropriations to the Division of Commercial and Sports Fisheries, Department of Natural and Economic Resources, for the construction of artificial reefs.")

The requested funding will enable the Division of Commercial and Sports Fisheries to strengthen its services to the people of North Carolina by maintaining a balanced program in support of sports fishing as well as commercial fishing. It would be simple justice to allocate a small share of the gasoline tax receipts to this program, thereby returning revenues to the area where they were generated.

APPENDIX A

SENATE RESOLUTION 961

GENERAL ASSEMBLY OF NORTH CAROLINA

1971 SESSION

SENATE RESOLUTION 961

S **I**

Sponsors: Senators Allen and Patterson.

Referred to: Calendar Committee.

July 12

1 A RESOLUTION AUTHORIZING THE LEGISLATIVE RESEARCH COMMISSION TO
2 STUDY THE NEED FOR LEGISLATION CONCERNING CERTAIN ENVIRONMENTAL
3 PROBLEMS.

4 Be it resolved by the Senate:

5 Section 1. The Legislative Research Commission is
6 hereby authorized and directed to study the need for legislation
7 concerning the following subjects:

- 8 (1) Regulation of septic tank wastes;
- 9 (2) Prevention and abatement of oil pollution,
10 including measures for prevention or cleanup of oil
11 spills;
- 12 (3) Regulation and management of animal and poultry
13 wastes;
- 14 (4) Prevention and abatement of pollution of the
15 State's waters by nutrient waste, particularly
16 compounds of phosphorus and nitrogen;
- 17 (5) Prevention and abatement of pollution of the
18 State's waters by sedimentation and siltation,
19 particularly that occurring from runoff of surface
20 waters and from erosion;

- 1 (6) Recovery by agencies providing water services of
2 damages from persons polluting the water supply;
- 3 (7) The reporting of industrial wastes and other wastes
4 containing toxic materials to public waste disposal
5 systems.
- 6 (8) Such other environmental protection or natural
7 resource management subjects not specifically
8 assigned by law or resolution to another
9 Legislative Study Commission as the Commission may
10 deem appropriate.

11 Sec. 2. With respect to the subjects enumerated in
12 Section 1, the Commission shall examine and evaluate previous
13 relevant experience in North Carolina, legislation and proposals
14 in other jurisdictions, and the experience of other jurisdictions
15 in applying such legislation. In connection with the studies
16 directed by Section 1, the Commission, where desirable and
17 feasible in its judgment, may include non-legislator members on
18 the study subcommittees assigned these studies.

19 Sec. 3. The Commission shall report its findings and
20 recommendations to the 1973 General Assembly.

21 Sec. 4. This resolution shall become effective upon its
22 adoption.

APPENDIX B

LIST OF WITNESSES WHO APPEARED OR WERE INVITED
TO APPEAR AT HEARINGS OF ENVIRONMENTAL STUDIES COMMITTEE
CONCERNING SALT WATER FISHING

LEGISLATIVE RESEARCH COMMISSION
ENVIRONMENTAL STUDIES COMMITTEE
SALT WATER SPORTS FISHING PROGRAM

Witnesses Who Appeared at Committee Hearings

Andy Anderson

Rt. 1, Sneads Ferry, N.C.

W. K. Bradley

Rt. 1, Box 44, Morehead City, N.C.

Claire Bullington, President

N. C. Beach Buggy Association, Nags Head, N.C.

Kay Couch

Red Drum Tackle Shop, Buxton, N.C.

Oliver Davis

Highland Park, Beaufort, N.C.

Gil Dunn

Swans Point Marina, Sneads Ferry, N.C.

Lew Dunn, Executive Secretary

N. C. Fisheries Association, New Bern, N.C.

Alex Eley

Ocracoke, N.C.

Bill Hales

Triple Ess Pier, Atlantic Beach, N.C.

J. J. Harrington

Lewiston, N.C.

Meares Harriss, Chairman

New Hanover County Board of County Commissioners

Milton Heath, Associate Director

Institute of Government, Chapel Hill, N.C.

Dr. Gene Huntsman

National Marine Fisheries Service, Pivers Island, Beaufort, N.C.

Edgar Hurdle

Elizabeth City, N.C.

Vernon James

Weeksville, N.C.

Bob Johnson
Johnny Mercer's Fishing Pier, Wrightsville Beach, N.C.

I. W. Johnson, President
New Hanover Fishing Club

Richard Kepley, Mayor
Carolina Beach, N.C.

Denny Lawrence
Iron Steamer Pier, Morehead City, N.C.

Jerry Lewis, County Manager
Brunswick County

Representative Ronald Earl Mason
Carteret County

Jack McCann
Harkers Island, N.C.

Ken Newsom
Board of County Commissioners, Carteret County

Gary Oliver
P. O. Box 95, Nags Head, N.C.

Dick O'Neal
New Holland, N.C.

Lewis Orr
Topsaid Beach, N.C.

Bobby Owens
Board of County Commissioners, Dare County

Dr. Bob Poston, M.D.
Elizabeth City, N.C.

Capt. Otis Purifoy
Otis' Fish Market, Morehead City, N.C.

Bill Schultz, President
Kelly-Springfield Tire Co., Fayetteville, N.C.

Bob Simpson
Morehead City, N.C.

Dale Speicher, Secretary
Brunswick County Fishing Club

D. Livingston Stallings
New Bern, N.C.

Jackie Stephenson
Brunswick County Development Commission

Roy Stevens
Economic Dev. Council, Inc., Morehead City, N.C.

Dick Stone
National Marine Fisheries Service, Pivers Island, Beaufort, N.C.

Dan Stryk, Manager of Engineering
Kelly-Springfield Tire Company, Fayetteville, N.C.

Bump Styron
Morehead City Yacht Basin, Morehead City, N.C.

Jim Sykes
National Marine Fisheries Service, Pivers Island, Beaufort, N.C.

Bill Wade, Director
Outer Banks Chamber of Commerce

Stanford White, Representative
Manns Harbor, N.C.

Sidney Williams, President
Topsail Island Fishing Club

APPENDIX C

PROPOSED BILLS TO IMPLEMENT RECOMMENDATIONS

1. Gasoline Tax Allocation Bill
2. Appropriations Bill

Introduced by:

Short Title: Gas Tax Share for Coastal Resources

A BILL TO BE ENTITLED AN ACT TO PROVIDE THE DIVISION OF COMMERCIAL AND SPORTS FISHERIES, DEPARTMENT OF NATURAL AND ECONOMIC RESOURCES, WITH PARTIAL NET PROCEEDS OF GASOLINE TAXES.

The General Assembly of North Carolina does enact:

Section 1. Chapter 105 of the General Statutes of North Carolina is hereby amended by adding immediately following G. S. §105-446.3 a new section to be designated as G. S. §105-446.4 to read as follows:

"G. S. §105-446.4. Department of Natural and Economic Resources Entitled to Partial Net Proceeds of Gasoline Taxes.--

(a) The North Carolina Department of Natural and Economic Resources shall receive one-eighth of one percent ($1/8$ of 1%) of the net proceeds of the taxes on motor fuels levied under §105-434 and the same shall be paid in accordance with the accounting periods as set forth under §105-446(1). As used in this section "net proceeds" shall mean the entire tax collected less one cent (1%) per gallon nonrebatable tax required to be segregated by Chapter 1250 of the Session Laws of 1949, as amended by Chapter 46 of the Session Laws of 1965.

"(b) Payments made to the North Carolina Department of Natural and Economic Resources under the provisions of this section shall be earmarked for the Division of Commercial and Sports Fisheries and to be used by that Division for carrying on its duties."

Sec. 2. This act shall become effective upon ratification.

Introduced by:

Short Title: Appropriations for Fisheries

A BILL TO BE ENTITLED AN ACT TO PROVIDE APPROPRIATIONS TO THE DIVISION OF COMMERCIAL AND SPORTS FISHERIES, DEPARTMENT OF NATURAL AND ECONOMIC RESOURCES, FOR THE CONSTRUCTION OF ARTIFICIAL REEFS.

The General Assembly of North Carolina does enact:

Section 1. There is hereby appropriated to the Department of Natural and Economic Resources the sum of Twenty-five Thousand Dollars (\$25,000) for each year of the biennium 1973-1975 for use by the Division of Commercial and Sports Fisheries for the purpose of developing, building and promoting artificial reefs in the Atlantic Ocean off the coast of North Carolina to enhance the commercial and sports fishing industries of the State.

Sec. 2. This act shall become effective from and after the first day of July, 1972.

APPENDIX D

ANALYSIS OF PROPOSED BILLS

1. Gasoline Tax Allocation Bill
2. Appropriation Bill

ANALYSIS OF PROPOSED SALT WATER FISHING BILLS

1. "A bill to be entitled an Act to provide the Division of Commercial and Sports Fisheries, Department of Natural and Economic Resources, with partial net proceeds of gasoline taxes."

This bill would add a new section to the gasoline tax law, to be numbered G.S. 105-446.4. The effect of the bill is to direct that a small portion of the revenues from the state motor fuels tax--1/8 of 1% of the net proceeds of the tax--be permanently allocated and earmarked to the Division of Commercial and Sports Fisheries, Department of Natural and Economic Resources. The Division would use these revenues for carrying out its program responsibilities. The "motor fuels" or gasoline tax referred to is levied pursuant to G.S. 105-434, currently at the rate of 9¢ per gallon. In arriving at the "net proceeds" of the motor fuels tax, the 1¢ per gallon nonrebtable tax for secondary road bond repayment is to be disregarded.

A precedent for this bill exists in G.S. 105-446.2. Under that law the Wildlife Resources Commission is entitled to 1/8 of 1% of the net proceeds of the gasoline tax to help support its programs.

It is estimated that the 1/8 of 1% allocation to the Division of Commercial and Sports Fisheries would probably yield annual revenues on the order of \$250,000 per year. Available estimates indicate that boat owners now pay over \$1,000,000 annually in motor fuel taxes, and that almost \$750,000 annually accumulates as a result of unclaimed boat tax refunds. (Under G.S. 105-446, gasoline tax refunds may be claimed on fuels not used in vehicles on the highways.) Studies indicate that about two-thirds of boats licensed in North Carolina are used in coastal

waters. Thus, it appears that the revenues earmarked to the Division of Commercial and Sports Fisheries by this bill would run much less than unclaimed coastal boat tax refunds, probably averaging about one-half of the unclaimed refunds.

2. "A bill to be entitled an Act to provide appropriations to the Division of Commercial and Sports Fisheries, Department of Natural and Economic Resources, for the Construction of Artificial Reefs."

This bill would appropriate \$25,000 per year for each year of the 1973-75 biennium to the Division of Commercial and Sports Fisheries, Department of Natural and Economic Resources. These funds would be used to develop artificial reefs off the North Carolina coast to improve fishing in these waters.