



REGULATORY IMPACT ANALYSIS FOR PROPOSED COMMERCIAL USE PERMITTING RULES

Rule Amendments: 15A NCAC 10H .1801 GENERAL REQUIREMENTS AND FEES
15A NCAC 10H .1802 COMMERCIAL USE PERMITS
15A NCAC 10H .1803 EVENT PERMITS

Agency Contacts: Carrie Ruhlman
Policy Development Manager
NC Wildlife Resources Commission
1751 Varsity Drive, Raleigh, NC
(919) 707-0011
carrie.ruhlman@ncwildlife.org

Impact Summary: State Government: Yes
Local Government: Possible
Private Impact: Yes
Substantial Impact: No

Authority: G.S. 113-264(a); 113-134

I. Summary

The proposed rules create permits and fees for commercial use of NC Wildlife Resources Commission (Commission or NCWRC) property, as defined in G.S. 113-129(18), and allowed by G.S. 113-264(a).

The NCWRC anticipates that the proposed rules will help the agency address issues related to increasing demand for access and use of NCWRC property, including crowding and congestion, safety, habitat degradation, and incompatible uses occurring simultaneously. The potential revenue from the proposed rules will provide State match to leverage the federal funds used on Commission properties for habitat and infrastructure enhancement, property maintenance and repairs.

II. Background

The wildlife resources of the State belong to the people of the State as a whole, including the enjoyment of these resources (G.S. 113-131(a)). The NCWRC is tasked with the conservation of wildlife resources of the State (G.S. 143-239). This responsibility includes managing as equitably as

possible, the various competing interests regarding these resources, including the use and take of such resources (G.S. 113-131.1(a)). The statutes governing wildlife resources are found in Chapter 113, Subchapter IV of the General Statutes, and the NCWRC has been granted rulemaking authority to implement the provisions of these statutes (G.S. 113-134).

The Commission is granted the authority by statute to license, regulate, prohibit, or restrict the public as to the use and enjoyment of its property and may charge the public a reasonable fee for access to or use of its property per G.S. 113-264(a). NCWRC Property is broadly defined in this statute and by G.S. 113-129(18) to mean all lands, game lands, wildlife refuges, artificial constructions in boating and fishing access areas, and all other property owned, allocated to, leased, controlled, or cooperatively managed and designated for public use by the NCWRC.

The Commission manages over 250 Boating Access Areas (BAAs), 250 Public Fishing Areas (PFAs), and 2+ million acres of game lands. These span the entire State and provide access to many unique and desirable resources, including rivers, waterfalls, caverns, and trails. Access points like BAAs and PFAs include amenities like paved parking lots and motorboat and/or kayak launches. Because of these resources and the access provided, individuals, groups, and businesses frequent some of the most desirable locations, sometimes making them inaccessible, unsafe, or undesirable for others, including licensed users. Issues including congestion, traffic, erosion, litter, noise pollution, and habitat degradation have all occurred on Commission property.

All activity licenses (hunting, fishing, trapping) sold by the Commission entitle the licensee to access and use NCWRC property. However, over the years, the use of these properties by unlicensed users has increased substantially as most NCWRC property is available for use by the public, free of charge.

Based on data collected in 2018, game lands receive approximately 2.2 million visits annually. It is estimated that 40% of those visits were for licensed activities (hunting and fishing), meaning that the majority of game land visits were for unlicensed uses.¹ Examples of these uses that agency staff have witnessed include hiking, birding, horseback riding, biking, camping, walking, geocaching, off-roading, kayaking/canoeing, tubing, foraging, target shooting, herping, photography, swimming, picnicking, and running.² However, staff also routinely encounter commercial activities and events occurring on game lands. Examples of these are included in Table 1.

Table 1. Identified Commercial Activities/Events on Game Lands

Commercial Activity	Event
Ecotourism (hiking tours, birding, climbing)	Races (running, biking, kayaking, triathlons)
Bike Rentals	Competitions/tournaments
Kayak Rentals	

¹ Casola, W.R., Peterson, M.N., Sills, E.O., Pacifici, K., Moorman, C.E. (2022). Economic contributions of wildlife management areas in North Carolina. *Forest Policy and Economics*, 132 (September 2023). http://gambusia.zo.ncsu.edu/readings/Casola_etal_2022_Economic%20Contributions%20of%20Wildlife%20Management%20Areas%20in%20North%20Carolina.pdf

² Internal survey of Wildlife Law Enforcement Officers and Field Staff, 2023.

For BAAs, the agency estimates that about 57% of the approximately 380,000 NC registered vessel owners regularly use BAAs and 64% have used one at least once in the past year.³ BAAs are built for motorboat launching and have parking lots built specifically to accommodate trailered vehicles. Aside from general parking of un-trailered vehicles, staff frequently report use by groups of individuals partaking in the activities listed in Table 2.⁴

Table 2. Identified Commercial Activities/Events at BAAs

Commercial Activity	Event
Kayak/Paddle Board Rentals	Competitions/tournaments
Tubing	
Jet Ski Rentals	
Motorboat Rentals	

The proposed rules seek to regulate some of the unlicensed use of NCWRC property by permitting and charging for commercial use of these areas. This fiscal note examines and summarizes the costs and benefits associated with management and maintenance of Commission property and establishing requirements for commercial users and implementing fees for these activities as authorized by G.S. 113-264(a).

The Commission has determined that the proposed rules have impacts to State Government and private individuals. No immediate or direct impact has been identified to local governments. A summary of the proposed rule amendments and potential impacts is below, with the full rule text included in Appendix A.

III. Purpose & Goals

The NCWRC provides 250 free Boating Access Areas (BAA) to over 100 different bodies of water in the State and 262 public fishing areas. The agency manages and maintains over 2 million acres of public game lands in 79 NC counties, which include 54 primitive camping areas, 281 parking areas, 78 waterfowl impoundments, 1,878 miles of road, and 49 lakes and ponds, including 35 dams. The agency strives to provide, promote, and develop opportunities for public hunting, fishing, trapping and other wildlife-associated recreation while conserving, managing, and restoring wildlife habitats, communities and species on land managed by the NCWRC.⁵

Over 250 24-hour BAAs built and maintained by the Commission provide free access to more than 5,000 miles of North Carolina waters. Boating in North Carolina is generally a seasonal (May – September) activity. Almost 1/3 of North Carolina’s approximately 380,000 registered vessels have used these public boat ramps and are satisfied with their experience.⁶ The money used to construct and maintain these boat ramps comes from federal grants and state vessel funds, meaning anglers

³ NCWRC (2024). Boating in North Carolina: Survey of registered vessel owners.

⁴ Internal survey of Wildlife Law Enforcement Officers and Field Staff, 2023.

⁵ https://www.ncwildlife.org/Portals/0/About/documents/Commissioners/Agency-Organizational-Overview-FINAL-2021-REDUCE.pdf?ver=Y_Zr9yBV_xSTa7DQYZXblQ%3d%3d

⁶ NCWRC (2024). Boating in North Carolina: Survey of registered vessel owners.

and boaters that register their vessel in the State may benefit from that money by using NCWRC-constructed BAAs.

Over 2 million acres of public and private lands in North Carolina are managed by the NCWRC for public hunting, trapping, fishing, and other wildlife-associated recreation. These lands are designated collectively as Game Lands. The NWRC manages game lands for the conservation of wildlife species and to provide public access for wildlife-associated recreation and other recreational activities appropriate for the specific properties. The management of game lands involves balancing science-based conservation practices with public access and usage.

The Commission has staff throughout the state, mostly within the Land and Water Access Division (LAWA), who manage and maintain these properties. LAWA divides the state regionally into mountains, piedmont, and coast. The mountains region has 38 BAAs, 45 PFAs and 30 game lands, the piedmont region has 61 BAAs, 32 PFAs and 28 game lands, and the coastal region has 122 BAAs, 23 PFAs and 45 game lands. Routine maintenance and upkeep of Commission properties is part of LAWA staff responsibilities, as is routine patrol of these properties by the agency’s law enforcement officers. However, impacts of commercial and event use can create additional work for both Divisions and their limited number of staff and resources.

Commercial Use

Commercial activity is defined in the proposed rule as an unlicensed activity for which individuals pay to participate or use equipment and that takes individuals or groups to Commission property for participation in the unlicensed activity, the purpose of which is financial gain or benefit of the commercial business. Commercial activities that the agency knows routinely occur on NCWRC properties are included in Table 3. These are unregulated recurring activities that staff have encountered on NCWRC properties.⁷ These activities vary throughout the state and typically occur in greater numbers during the summer months.

Because of the significant growth of the State combined with the declining availability of spaces for outdoor recreation, the Commission’s BAAs and game lands have become popular destinations for the outdoor recreationists throughout NC. While the Commission does not discourage these activities on most properties, the areas where they are occurring are not necessarily situated or built to accommodate large numbers of people, and the impacts and pressure caused by commercial activities are becoming more prominent.

Table 3. Identified Commercial Activities & Impacts

Activity	Commercial/Event	Location	Impacts
Kayak/Paddle Board Rentals	Commercial	BAAs	Parking, traffic, litter
Bike Rentals	Commercial	Game lands	Trails, erosion, trash, habitat pressure,

⁷ NCWRC (2023). Commercial Use Staff Survey.

			parking, noise
Tubing	Commercial	BAAs	Parking, congestion, litter
Boat/Jet Ski Rentals	Commercial	BAAs	Congestion, parking, litter
Ecotourism (destination hiking/climbing/birding/photography)	Commercial	Game lands	Parking, use conflicts, erosion

Boating Access Areas

In most regions of the state, commercial activities at BAAs include kayak, paddle board, boat, and jet ski rentals. While these activities are more popular in the summer months, they occur year-round in some areas. According to NCWRC staff, kayak rental companies use BAAs for patron drop-off and pick-up, or as a meeting place for rental pick-up. These businesses can move anywhere from 25 to over a hundred people through a BAA every day. Boat and jet ski rental companies often have patrons park at a BAA and meet them there with their equipment. These patrons park vehicles for the day, often occupying spaces for trailered vehicles, and limiting room for individuals launching their motorboats. Depending on the location, season, and weather, staff estimate that anywhere from 10 boats/day on a weekday to upwards of 100 boats/day on a weekend are using BAAs to pick-up and drop-off boat renters.⁸

In the mountain region, commercial outfitters may be the biggest users of NCWRC BAAs in the summer months. Tubing and rafting outfitters have been reported to send upwards of 23,000 people each year down western North Carolina rivers from May through September.⁹ This user group often dominates the BAAs they use to stage people, tubes, and transportation. Additionally, guided, and self-guided kayak and whitewater trips also pick up and drop off patrons at BAAs. Though nowhere near the quantity of people, during peak months, these outfitters can send 100 – 300 people/day through certain BAAs.¹⁰

Impacts of the commercial use of BAAs can include limited parking for boaters, congestion at the boat ramp or in the parking lot, litter, and bank erosion. According to a recent Commission boater survey, the main reasons registered vessel owners are dissatisfied with BAAs are lack of parking and overcrowding.¹¹ Over 400 registered vessel owners provided additional comments with specific complaints about these issues.

Game Lands

Some game lands are highly managed specifically for hunting opportunities and provide access to hunting blinds, managed waterfowl impoundments, or dove fields. Many game lands have secondary roads running to or through them. However, most game lands also have parking areas

⁸ NCWRC (2023). Commercial Use Staff Survey.

⁹ Personal correspondence with WNC commercial outfitters (May 2022)

¹⁰ Personal correspondence with WNC commercial outfitters (May 2022).

¹¹ NCWRC (2024). Boating in North Carolina: Survey of registered vessel owners.

and access roads throughout the property. These features are built and maintained by NCWRC staff to provide enhanced area-wide admittance to users. Depending on the property, trails and primitive camping areas may also be developed by staff to enhance user-experience where appropriate. For the most part, hunting and trapping on game lands occurs within set seasons. Those seasons vary regionally, but generally run from September through February.

There are also game lands that are less managed but contain natural geographic features that make them attractive to visitors participating in activities like hiking, birding, biking, climbing, foraging, herping, or nature photography.¹² The majority of the unlicensed commercial activities occurring on game lands takes place in the summer though some activities like birding and photography occur year-round.

Impacts of the more passive commercial uses on game lands, like birding, hiking, climbing and photography are typically minimal and may include crowding, conflicting uses or erosion issues. However, these activities may have larger impacts in areas with particularly sensitive habitats and threatened species. Biking is an activity that often causes more noticeable issues on game lands, including unauthorized trails, erosion, trash, habitat pressure, and parking congestion.

Event Use

An event is defined in the proposed rules as organized gatherings of more than 10 people on Commission property where money is exchanged for participation in an unlicensed activity. Events that the agency knows occur on various NCWRC properties are included in Table 1 and 2. These are unregulated one-time activities that staff have encountered.¹³ These activities vary throughout the state and as the population grows and outdoor recreation expands, so do the number and types of events.

As with commercial use, the significant growth of the state population combined with the declining availability of spaces for outdoor recreation has made the NCWRC's properties popular destinations for outdoor events. The unique natural features and remoteness of some of the Commission's properties offer the outdoor recreationists unique opportunities to partake in activities and competitions on these areas. However, because access to these areas was not originally situated, or built to accommodate large numbers of people, and the impacts and pressure caused by these events (Table 4) are often obvious.

¹² NCWRC (2022). Wildlife Enforcement Officer Perceptions of Non-Licensed Users on Game Lands. (url link)

¹³ NCWRC (2023). Commercial Use Staff Survey.

Table 4. Identified Events & Impacts

Activity	Commercial/Event	Location	Impacts
Races (running, biking, kayaking, triathlons)	Event	Game lands/BAAAs	Construction, erosion, trash, congestion, conflicting uses, habitat disturbance
Gun runs (orienteering and shooting competition)	Event	Game lands	Construction, erosion, trash, congestion, conflicting uses, habitat disturbance

Boating Access Areas

Events that staff have reported at BAAs include kayaking competitions, where groups of people will congregate and may restrict access for other users. These events have been reported state-wide and depending on location, can either occur frequently throughout the year or seasonally. The common impacts of these events include conflicting uses, trash, and congestion.

Game Lands

Running, biking, and kayak races and triathlons routinely occur on game lands throughout the state. The Green River Game Land for example is a destination for several of these events each year. Both a whitewater kayak event and a variety of multi-sport competitions that include mountain biking and trail running occur on the game land and neighboring property. These events host hundreds of racers and spectators.¹⁴ Linville River and Pond Mountain Game Lands each see several bike races each year, multiple ultramarathons and marathons have been reported on Sandhills Game Land, and the J. Robert Gordon field trial facility is used for annual marathons.

The agency sees a variety of impacts to game lands from these events. While it is noted that some event organizers mitigate impacts by providing trash pick-up or trail maintenance, undesirable impacts to game lands from these activities often include unauthorized construction of bridges, trails and jumps, erosion and creek disturbance, conflicting uses, congestion, litter, and overcrowding. Additionally, staff have noted that another impact of these races may be the attention these game lands get from the outdoors community after the events, drawing more users and impacts that accompany those uses.

The purpose of regulating commercial and event activities on NCWRC property is to balance uses and minimize and mitigate user conflict and undesirable environmental effects of overuse. The potential revenue from the proposed rules will provide State match to help the NCWRC leverage federal funds for habitat and infrastructure enhancement and additional property maintenance and repairs necessitated by increased use of its property.

¹⁴ <https://greenrace.us/> and <https://greenrivergames.com/>

IV. Impacts - Costs¹⁵

State

Minimal costs to the State are anticipated from the proposed rules.

The proposed rules require individuals and businesses using Commission property for financial gain or benefit to apply for either a commercial use permit or event permit to partake in any unlicensed activity for which individuals pay to participate or use equipment that takes individuals or groups to Commission property to participate in an unlicensed activity. The agency will use its online licensing and permitting system, Go Outdoors North Carolina (GONC), to collect necessary information from the applicant and issue the permit. The GONC vendor will create the application system, but NCWRC staff will need to work with the vendor to manage and test the application. It is estimated to take approximately 25 hours of staff time at a one-time cost to the agency of \$1,463 ($\$58.50/\text{hour} \times 25 \text{ hrs} = \$1,463$) for this task. Additionally, the agency will need the vendor to create a reporting system for permittees to report participants and pay for use. Though reporting systems do exist through GONC, the agency is unsure at this time how much time and effort creating this type of system will require. The GONC vendor does not charge the NCWRC for development of new systems but receives payment through service fees added to the price of licenses and permits sold through GONC. Based on current knowledge of system requirements and experience with system development, the agency estimates approximately 50 hours of staff time to work with the vendor on development and testing of the reporting and payment remittance system through GONC at a one-time cost to the agency of \$2,925 ($\$58.50/\text{hr} \times 50 \text{ hrs} = \$2,925$).¹⁶

Applications for commercial permits will need to be reviewed by staff as they are submitted. Staff will need to ensure all required information is provided and review the activity, location, and anticipated participant numbers to determine if the request can be granted or will be denied. Based on similar application and permitting processes that the NCWRC conducts, this task is estimated to take, on average, approximately 2 hours per application, at an estimated cost of \$124/application ($\$62/\text{hr} \times 2 \text{ hrs} = \124) to the agency.¹⁷

Enforcement of permit requirements will require effort from law enforcement. However, no additional costs are anticipated as routine patrol and inspections are part of officers' duties.

Depending on the permit issued, reporting and payment for commercial activities is required every other month and reporting and payment for events is required no more than 30 days after the event. Staff will need to check that these requirements are met by using the GONC system to verify information and payment. If requirements have not been met, staff may reach out to the permittee either through the GONC system or by phone. Because the proposed rules are new, a phased implementation process will be used to educate and garner compliance from commercial and event users. This begins with education and verbal warning, then moves to written warning, and finally citation. Because the

¹⁵ All hourly rates for staff herein reflect total compensation.

¹⁶ Costs calculated based on midpoint salary of Business Officer II.

¹⁷ Cost calculated based on average salary for Ecoregion Supervisor.

potential for permit revocation or non-issuance exists, and businesses will need a permit to operate from NCWRC property, the agency does not foresee non-compliance as a major concern. Thus, on average, the tasks associated with checking and verifying permit compliance are anticipated to take one hour and cost the agency approximately \$41/permit.¹⁸

Local

Businesses being cited for commercial use of Commission property without a permit, or for non-compliance with their permit could result in an increased caseload for county courts. The agency has no data to estimate this potential increase.

Private

The proposed rules require individuals and businesses to obtain a permit prior to conducting an unlicensed activity on Commission property for which they charge individuals to participate. The proposed annual fee for a commercial use permit is \$100. The proposed fee for an event permit is dependent on the number of individuals attending the event and can range from \$50 to \$250. Additionally, fees are added to all licenses, permits, and applications sold. This fee varies depending on how the applicant makes their purchase. For applications/permits sold directly through the Commission, the agency charges a fee of \$2/transaction. For applications/permits sold online, the Commission charges a fee of \$2 and GONC charges \$3/transaction, for a total of \$5/transaction.¹⁹

A fee of \$3 per participant will also be required for both permits. Based on staff discussions with outfitters and individuals conducting commercial activities and events on NCWRC property, this per-person fee will be passed on to the customer resulting in a nominal \$3 additional fee per person to participate. While this \$3 increase could dissuade people from choosing to participate in an activity with a particular business or individual, the agency does not believe that will be the case, as other agencies State and Federal agencies, including NC State Parks²⁰ and the U.S. Forest Service²¹ also require a permit and charge a fee for commercial and event use of their properties.

The proposed rules require the permittee to have liability insurance in the amount of \$1 million per occurrence and \$2 million in aggregate for commercial activities they will conduct on Commission property. While this coverage is a cost to businesses, they likely already carry this coverage. Thus, the agency does not believe that this requirement will be an added cost.

If a business fails to obtain a permit or a permittee fails to comply with the requirements of their permit, they risk citation. The fine for a rule violation is \$25 plus cost of court (\$183 for a misdemeanor), resulting in a total fine of \$208.

¹⁸ Cost calculated based on midpoint salary of Admin Specialist II.

¹⁹ G.S. 113-270.1(b5) and (b6)

²⁰ <https://www.ncparks.gov/about-us/state-parks-reservation-rates-and-activity-fees#PermitFees-1330>

²¹ <https://www.fs.usda.gov/main/nfsnc/passses-permits/event-commercial#Outfitting>

V. Impacts - Benefits

State

The Commission has never permitted unlicensed commercial or event use of its property, and thus does not have complete information on the activities occurring. While observational information provides a basis for determining use, most staff observations occur during business hours and cannot completely account for the activities occurring on the 2+ million acres of land managed by the agency. In the summer, it is assumed that many of the activities occur daily and increase on weekends, but no reliable counts on numbers of businesses or patrons are available. Regulating commercial and event use will provide these data and make them available for wildlife and land management decisions in the future.

Permit and participation fees collected will provide a new source of income for the NCWRC. Based on staff observations, the agency estimates that at least 40 – 50 commercial businesses and/or individuals statewide use NCWRC property in a way that would require them to get a commercial use permit. Based on this assumption, the agency would receive up to an additional \$5,000/year in license revenue (\$100/ permit x 50 permits). Assuming an average of 28,200 individuals participating in commercial activities use BAAs and game lands each year (approximately 1,000 kayakers, 500 bikers, 25,000 tubers, 1,000 motorboaters/jet skiers, 200 birders, 500 climbers), an additional \$84,600 in revenue could be expected annually (\$3/person x 28,200 people = \$84,600).

Though more difficult to estimate, based on staff observations, the agency estimates that at least 30 races/competitions are held on BAAs and game lands throughout the state annually. Because the event permit fee varies based on number of participants, and participant estimates from observations vary among and within the identified uses, it is assumed for purposes of estimating potential benefits, that 20 events will have 10 – 100 participants (\$50), five will have 101 – 250 (\$100), three will have 251 – 500 (\$150), and two will have 501 – 1000 (\$200). This breakdown of event permits would create an additional \$7,000 in license revenue for the agency annually ((20 permits x 50/permit = \$1,000) + (5 permits x \$100/permit = \$500) + (3 permits x \$150/permit = \$450) + (2 permits x \$200 = \$400) = \$2,350). The amount of participant revenue generated by these permits would be \$20,250 annually ((20 events x 100 people x \$3/person = \$6,000) + (5 events x 250 people x \$3/person = \$3,750) + (3 events x 500 people x \$3/person = \$4,500) + (2 events x 1000 people x \$3/person = \$6,000) = \$20,250).

With the institution of the proposed rules, the agency will be able to better estimate and anticipate property use. Not only will this assist with land and facility management, but having data on commercial users may help the NCWRC mitigate user conflicts. Additionally, the agency will be better equipped to allocate resources to handle use to avoid conflicts and negative impacts.

It is estimated that approximately \$150,000 per year is spent mitigating unlicensed use of Commission property.²² Maintenance of roads, trails, and access areas, signage, trash pickup, staff time and travel to and from the properties are a part of regional Land and Water Access Division staff's duties and responsibilities. Historically, this work has been paid for with federal grants that require State match.

²² Estimate based on estimated percentage (5%) of annual activity and expense reporting for supplies, materials, hours, equipment, and mileage related to game land, BAA and PFA maintenance in the mountain region applied state-wide.

The 25% State match has been paid with license receipts. While the agency does not believe that implementing the proposed permitting requirements will change the cost of this maintenance, it will help the agency leverage federal money to fund habitat and infrastructure creation and maintenance on these properties, as State match has historically been a limiting factor for securing these funds. Additionally, it will help shift the State funding from license dollars to money contributed by users creating the impacts.

Local

If a business is cited for failing to obtain a permit or violating the requirements of their permit, they may receive a citation with penalty. Thus, the county court system may realize additional income (\$183 for a misdemeanor). The agency does not have the data to estimate this potential benefit.

Private

Individuals and businesses may benefit from the proposed rules in that the Commission will be better able to control crowding and overuse of certain areas. This may enhance the user experience for them, their customers, and other individuals using the property.

VI. Uncertainties

State

It is possible that with the proposed permitting requirements that some individuals and businesses may choose to stop using NCWRC property. On the other hand, simply offering commercial use and event permits could raise awareness of the opportunity to conduct business on these properties and draw more businesses to NCWRC properties. Regardless, neither scenario is of concern or consequence to the agency, as BAAs will continue to be used by registered boaters, game lands will continue to be purchased and managed for wildlife conservation, and the agency will be better able to determine and manage use of its property.

Local

If the proposed permit requirements cause fewer businesses to use Commission property, local impacts may be noticed. Counties may experience decreased visitation and visitor spending. Conversely, if more businesses become aware that commercial use is allowed on Commission property, local visitation and visitor spending may increase. However, the agency does not anticipate any changes or new impact as other public lands within and outside of the State use similar permit systems for commercial and event use of public property.

Private

The proposed rules for commercial use have the potential to inhibit businesses from using certain properties. If the Commission determines that certain properties are negatively impacted by the commercial activities occurring at a location, individuals may not receive a permit and may need to find alternative locations to conduct their business. While this may be an issue for very specialized activities and events (i.e. those that are only accessible from Commission property incorporate unique

features of the property itself), there are likely public access points and property for most activities to occur elsewhere. Thus, the agency does not anticipate that the impact will be detrimental to the businesses or individuals. However, without complete knowledge of the activities occurring on Commission property, this potential impact cannot be determined.

Because permits have not been required of commercial and event users in the past, and the Commission does not have complete information on the businesses that use the properties, initial compliance with the proposed rules may require some time. As with its other rules, the agency implements new requirements in phases, first with education or a verbal warning, then with a written warning, and finally with a citation. Once a business has a permit, reporting and payment, as required by the proposed rules, will be up to the permittee. While the agency can't estimate compliance, the consequences of not complying with the proposed rules include a Class III misdemeanor and penalty, permit revocation, and/or denial of future permit applications.

VII. Economic Impact Summary

Quantifiable Impacts

In estimating the economic impact of the proposed rules, the agency was able to estimate and quantify the following costs and benefits:

State Costs

- GONC application and permitting system development: \$1,463
- Application review: \$124/application
- GONC reporting and payment system development: \$2,925
- Reporting and payment review: \$41/event permit; \$246/commercial permit (reporting every other month)

The cumulative state costs are expected to be a one-time cost of \$4,388 and annual costs of \$165 per event permit and \$370 per commercial permit.

Private Costs

- Annual commercial permit fee: \$100/year + transaction fee of \$2 - \$5
- Event permit fee: \$50 - \$250/event + transaction fee of \$2 - \$5
- Participant fee: \$3/person

State Benefits

- Commercial permit revenue: \$5,000/year
- Commercial permit participant revenue: \$84,600/year
- Event permit revenue: \$7,000/year
- Event permit participant revenue: \$20,250/year

The cumulative state benefits are estimated to be up to \$12,000/year in permit revenue and up to \$104,850/year in participant revenue.

Unquantifiable Impacts

In estimating the potential impacts of the proposed rules, the agency identified the following unquantifiable costs and benefits:

- Improved data on property use for resource allocation and mitigation of conflicts and negative impacts.
- Improved user experience on NCWRC property.

Uncertainties

- Decreased commercial/event use of NCWRC property

- Decreased visitation to counties with NCWRC property

Although many of the impacts associated with these rules are unquantifiable or uncertain with available data, the agency was able to quantify the most obvious and likely most significant costs and benefits. The agency believes that the benefits to the State and individuals are likely to outweigh the costs associated with permitting commercial and event use of NCWRC property.

Appendix A: Proposed Rule Text

1 15A NCAC 10H .1801 GENERAL REQUIREMENTS AND FEES

2 (a) The rules in this Section apply to commercial permits issued by the Wildlife Resources Commission.

3 (b) The use of Wildlife Resources Commission property, as defined by G.S. 113-129, by an individual or business for
4 profit or benefit is unlawful, unless the individual or business using the property for an unlicensed activity first obtains
5 a commercial permit as provided by this Rule.

6 (c) The following definitions shall apply to all rules in this Section:

7 (1) “Benefit” means the exchange of money, goods, services, or the growth or promotion of a business or
8 organization.

9 (2) “Commercial activity” means an unlicensed activity for which individuals pay to participate or use
10 equipment and that takes individuals or groups to Commission property for participation in the
11 unlicensed activity, the purpose of which is financial gain or benefit of the commercial business.

12 (3) “Commercial business” means any individual or business using Commission property for financial
13 gain or benefit.

14 (4) “Commercial permit” means either a commercial use permit or event permit for otherwise unlicensed
15 activities.

16 (5) “Commission property” means Wildlife Resources Commission Property as defined in G.S. 113-
17 129(18).

18 (6) “Commercial use” means the use of Commission property for financial gain or benefit.

19 (7) “Commercial use permit” means a permit that allows for the commercial use of Wildlife Resources
20 Commission property.

21 (8) “Event” means an organized gathering of more than 10 people on Commission property where money
22 is exchanged for participation in an unlicensed activity.

23 (9) “Event permit” means a permit that allows for the use of Commission property for a one-time event.

24 (10) “Unlicensed activity” means any outdoor activity that the Commission does not regulate through a
25 Commission-issued license or permit.

26 (d) Application for a commercial permit shall be made online at www.ncwildlife.org or at Commission headquarters
27 located at 1751 Varsity Drive, Raleigh, NC 27606-2576. Information required from the applicant shall include:

28 (1) the applicant's name, address, telephone number,

29 (2) name of business, company, or organization;

30 (3) type of commercial activity or event;

31 (4) dates of activity or event;

32 (5) locations of commercial activity or event; and

33 (6) for event permits, the number of individuals anticipated to partake in the event.

34 (e) The fee for a commercial use permit shall be \$100.00. The fee for an event permit shall be based on the number
35 individuals participating in the event, including event participants, volunteers, staff, and spectators. The event permit

1 fee schedule is as follows:

- 2 (1) ten to 100 individuals - \$50
- 3 (2) one hundred and one to 250 individuals - \$100
- 4 (3) two hundred and fifty-one to 500 individuals - \$150
- 5 (4) five hundred and one to 1000 individuals - \$200
- 6 (5) over 1000 individuals - \$250

7 (f) In addition to the commercial permit fee, a fee of \$3.00 per individual participating in the permitted activity on
8 Commission property shall be required and remitted to the Commission no more than 30 days after the event for
9 which the permit was acquired or every other month during the year for which the commercial use permit is valid.

10 (g) Unless authorized by the Commission, commercial permit holders and their patrons shall not block access or
11 prevent others from entering or exiting any Commission property.

12 (h) Commercial permits are non-transferable between individuals, businesses, or companies and a separate permit is
13 required for each commercial activity or event.

14 (i) The Commission may deny permits or issue permit requirements for use of its property based on the time of year,
15 holidays, safety concerns, biological impacts, compatibility of requested activity with intended use of an area or
16 property, failure to adhere to the conditions set forth in these Rules and Commission planned or sponsored events.

17 (j) Unless a more limited duration is designated on the permit, a Commercial Use Permit shall be valid from January 1
18 through December 31 of the same year. An Event Permit shall be valid for the duration of the event and expires at its
19 conclusion.

20 (k) Records of commercial activities shall be available for inspection by representatives of the Commission upon
21 request and during normal operating hours.

22 (l) The Executive Director of the Commission or his or her designee may warn, cite, or revoke a permit holder's
23 commercial permit, if the permit holder violates any rules set forth by the Commission in this Subchapter or any
24 conditions of the permit.

25

1 **15A NCAC 10H .1802 COMMERCIAL USE PERMITS**

2 (a) A commercial use permit shall be required for commercial activities on Commission property.

3 (b) A commercial use permit is required for commercial activities including but not limited to:

- 4 (1) providing registered and unregistered rental vessels to individuals for use on Commission property;
5 (2) leading tours or excursions for unlicensed activities on Commission property;
6 (3) dropping off or picking up individuals on Commission property; or
7 (4) using Commission property to stage patrons or recreational equipment in preparation for an activity
8 on Commission property.

9 (c) Individuals holding a commercial use permit shall submit a report to the Commission online at www.ncwildlife.org
10 by the last day of every other month of the year in which their permit is valid. The report shall contain the following
11 information:

- 12 (1) individual's name and name of business, company, or organization;
13 (2) permit number; and
14 (3) number of individuals participating in activity.

15 (d) Individuals applying for a commercial use permit as described in 15A NCAC 10H . 1801 shall verify liability
16 insurance in the amount of \$1 million per occurrence and \$2 million in aggregate for commercial activities conducted
17 on Commission property.

18 (e) Commercial use permittees shall be responsible for removing litter and trash left on Commission property by
19 individuals covered by their permit.

1
2
3
4
5
6
7
8
9
10
11
12
13
14

15A NCAC 10H .1803 EVENT PERMITS

(a) An event permit is required for a commercial business conducting an event on Commission property.

(b) Individuals holding an event permit shall submit a report for the event within 30 days of the conclusion of the event, to the Commission online at www.ncwildlife.org with the following information:

- (1) individual’s name and name of business, company, or organization;
- (2) permit number; and
- (3) total number of participants.

(c) Individuals applying for an event permit as described in 15A NCAC 10H .1801 shall verify \$1 million per occurrence and \$2 million in aggregate of liability insurance for commercial events to be conducted on Commission property.

(d) Event permit holders shall be responsible for removing all litter and trash left on Commission property by individuals participating in the event.

