

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 615

Agriculture/Environment/Natural Resources Committee Substitute Adopted 5/30/17
PROPOSED HOUSE COMMITTEE SUBSTITUTE S615-PCS45456-RIxr-24

Short Title: North Carolina Farm Act of 2017.

(Public)

Sponsors:

Referred to:

April 5, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND CERTAIN LAWS GOVERNING AGRICULTURAL MATTERS.
3 The General Assembly of North Carolina enacts:

4
5 **AGRICULTURE AND FORESTRY AWARENESS STUDY COMMISSION STUDIES**

6 **SECTION 1.(a)** The Agriculture and Forestry Awareness Study Commission shall
7 study both of the following matters:

8 (1) Any updates it deems advisable to Article 44 of Chapter 106 of the General
9 Statutes governing unfair practices by handlers of fruits and vegetables,
10 including applicable definitions and requirements under the Article.

11 (2) The advisability of providing property tax abatement to aging farm
12 machinery. In conducting this study, the Commission shall consider all of
13 the following: (i) whether farm machinery 10 years or older, or other time
14 period the Commission deems appropriate, should be designated as a special
15 class under Section 2(2) of Article V of the North Carolina Constitution and
16 be excluded from property tax; (ii) if such farm machinery should be
17 excluded from property tax, whether an eighty percent (80%) property tax
18 exclusion is an appropriate exclusion amount, or another amount the
19 Commission deems appropriate; and (iii) the fiscal impact on local
20 governments if such machinery were to be excluded from property tax. The
21 Commission may request any information necessary to complete the study
22 from any county tax office in this State and from the Department of
23 Revenue.

24 **SECTION 1.(b)** The Agriculture and Forestry Awareness Study Commission shall
25 complete the studies required by subsection (a) of this section and report its findings and
26 recommendations, including any legislative proposals, to the General Assembly by March 1,
27 2018.

28
29 **EXPAND FACILITIES EXEMPT FROM EMC RULE**

30 **SECTION 2.(a)** Rule. – Until the effective date of the revised permanent rule that
31 the Environmental Management Commission is required to adopt pursuant to subsection (c) of
32 this section, the Commission shall implement 15A NCAC 02D .1806 as provided in subsection
33 (b) of this section.

34 **SECTION 2.(b)** Implementation. – Notwithstanding subsection (c) of 15A NCAC
35 02D .1806, any facility that stores products that are (i) grown, produced, or generated on one or



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1 more agricultural operations and (ii) "renewable energy resources" as defined in
2 G.S. 62-133.8(a)(8) shall be exempt from the requirements of 15A NCAC 02D .1806 until the
3 Environmental Management Commission reviews and readopts the Rule pursuant to subsection
4 (c) of this section and determines the criteria under which the exemption should be made
5 permanent.

6 **SECTION 2.(c)** Additional Rule-Making Authority. – The Commission shall adopt
7 rules to amend 15A NCAC 02D .1806 consistent with subsection (b) of this section.

8 **SECTION 2.(d)** Effective Date. – Subsection (b) of this section expires on the date
9 that rules adopted pursuant to subsection (c) of this section become effective. The remainder of
10 this section is effective when it becomes law.

11 12 **PRESENT-USE VALUE CHANGE**

13 **SECTION 3.(a)** G.S. 105-277.3 reads as rewritten:

14 **"§ 105-277.3. Agricultural, horticultural, and forestland – Classifications.**

15 (a) Classes Defined. – The following classes of property are designated special classes
16 of property under authority of Section 2(2) of Article V of the North Carolina Constitution and
17 must be appraised, assessed, and taxed as provided in G.S. 105-277.2 through G.S. 105-277.7.

18 (1) Agricultural land. – Individually owned agricultural land consisting of one
19 or more tracts, one of which satisfies the requirements of this subdivision.
20 For agricultural land used as a farm for aquatic species, as defined in
21 G.S. 106-758, the tract must meet the income requirement for agricultural
22 land and must consist of at least five acres in actual production or produce at
23 least 20,000 pounds of aquatic species for commercial sale annually,
24 regardless of acreage. For all other agricultural land, the tract must meet the
25 income requirement for agricultural land and must consist of at least 10 acres
26 that are in actual production. Land in actual production includes land under
27 improvements used in the commercial production or growing of crops,
28 plants, or animals.

29 To meet the income requirement, agricultural land must, for the three
30 years preceding January 1 of the year for which the benefit of this section is
31 claimed, have produced an average gross income of at least one thousand
32 dollars (\$1,000). Gross income includes income from the sale of the
33 agricultural products produced from the land, grazing fees for livestock, the
34 sale of bees or products derived from beehives other than honey, any
35 payments received under a governmental soil conservation or land
36 retirement program, and the amount paid to the taxpayer during the taxable
37 year pursuant to P.L. 108-357, Title VI, Fair and Equitable Tobacco Reform
38 Act of 2004.

39"

40 **SECTION 3.(b)** This section is effective for taxes imposed for taxable years
41 beginning on or after July 1, 2017.

42 43 **ABANDONED LIVESTOCK AMENDMENTS**

44 **SECTION 4.** G.S. 68-17 reads as rewritten:

45 **"§ 68-17. Impounding livestock at large; right to recover costs and ~~damages~~damages;** 46 **abandoned livestock.**

47 (a) Any person may take up any livestock running at large or straying and impound the
48 same; and such impounder may recover from the owner the reasonable costs of impounding
49 and maintaining the livestock as well as damages to the impounder caused by such livestock,
50 and may retain the livestock, with the right to use with proper care until such recovery is had.

1 Reasonable costs of impounding shall include any fees paid pursuant to G.S. 68-18.1 in order to
2 locate the owner.

3 (b) Livestock is deemed to be abandoned when (i) it is placed in the custody of any
4 other person for treatment, boarding, or care; (ii) the owner of the livestock does not retake
5 custody of the animal within two months after the last day the owner paid a fee to the custodian
6 for the treatment, boarding, or care of the livestock; and (iii) the custodian has made reasonable
7 attempts to collect any past-due fees during the two-month period. If, after the end of the
8 two-month period, the custodian of the abandoned livestock has been unsuccessful in collecting
9 the past-due fees and the owner of the livestock has not retaken custody of the livestock, the
10 custodian may sell or transfer the livestock by executing an affidavit that identifies the buyer or
11 transferee of the livestock and certifies compliance with the criteria and requirements of this
12 subsection. If the custodian is unable to sell or transfer the livestock, the custodian may, but
13 shall not be required to, otherwise humanely dispose of the abandoned livestock. A custodian
14 shall provide written notice of the provisions of this subsection in conspicuous type to the
15 owner of livestock at the time the livestock is delivered for treatment, boarding, or care as
16 follows: "Pursuant to N.C. General Statutes § 68-17(b), the owner of this facility is entitled to
17 sell, transfer, or otherwise humanely dispose of any livestock abandoned at this facility."
18

19 **CLARIFY THE AUTHORITY OF THE DEPARTMENT OF AGRICULTURE AND**
20 **CONSUMER SERVICES TO ADOPT AND ADMINISTER FOREST PRACTICE**
21 **GUIDELINES FOR PURPOSES OF THE SEDIMENTATION POLLUTION**
22 **CONTROL ACT**

23 **SECTION 6.(a)** G.S. 113A-52.01 reads as rewritten:

24 **"§ 113A-52.01. Applicability of this Article.**

25 This Article shall not apply to the following land-disturbing activities:

- 26 ...
27 (2) Activities undertaken on forestland for the production and harvesting of
28 timber and timber products and conducted in accordance with ~~best~~
29 ~~management practices set out in standards defined by the~~ Forest Practice
30 Guidelines Related to Water Quality, as adopted by the ~~Department~~
31 ~~Department of Agriculture and Consumer Services.~~
32

32"

33 **SECTION 6.(b)** G.S. 113A-52.1 reads as rewritten:

34 **"§ 113A-52.1. Forest Practice Guidelines.**

35 (a) The Department of Agriculture and Consumer Services shall adopt Forest Practice
36 Guidelines Related to Water Quality (best management practices). The adoption of Forest
37 Practices Guidelines Related to Water Quality under this section is subject to the provisions of
38 Chapter 150B of the General Statutes.

39 (b) If land-disturbing activity undertaken on forestland for the production and
40 harvesting of timber and timber products is not conducted in accordance with Forest Practice
41 Guidelines Related to Water Quality, the provisions of this Article shall apply to such activity
42 and any related land-disturbing activity on the tract.

43 (c) The ~~Secretary-Commissioner~~ shall establish and appoint a Forestry Technical
44 Advisory Committee to assist in the development and periodic review of Forest Practice
45 Guidelines Related to Water Quality. The Forestry Technical Advisory Committee shall consist
46 of one member from the forest products industry, one member who is a consulting forester, one
47 member who is a private landowner knowledgeable in forestry, one member from the United
48 States Forest Service, one member from the academic community who is knowledgeable in
49 forestry, one member employed by the Department of Environmental Quality who is
50 knowledgeable in erosion and sedimentation control, one member who is knowledgeable in
51 wildlife management, one member who is knowledgeable in marine fisheries management, one

1 member who is knowledgeable in water quality, and one member from the conservation
2 community."

3 **SECTION 6.(c)** G.S. 113A-61.1 reads as rewritten:

4 "**§ 113A-61.1. Inspection of land-disturbing activity; notice of violation.**

5 (a) The Commission, a local government that administers an erosion and sedimentation
6 control program approved under G.S. 113A-60, or other approving authority shall provide for
7 inspection of land-disturbing activities to ensure compliance with this Article and to determine
8 whether the measures required in an erosion and sedimentation control plan are effective in
9 controlling erosion and sedimentation resulting from the land-disturbing activity. Notice of this
10 right of inspection shall be included in the certificate of approval of each erosion and
11 sedimentation control plan. The Department of Agriculture and Consumer Services may inspect
12 land-disturbing activities undertaken on forestland for the production and harvesting of timber
13 and timber products to determine compliance with the Forest Practice Guidelines Related to
14 Water Quality adopted pursuant to G.S. 113A-52.1.

15 (b) No person shall willfully resist, delay, or obstruct an authorized representative of the
16 Commission, an authorized representative of a local government, or an employee or an agent of
17 the Department while the representative, employee, or agent is inspecting or attempting to
18 inspect a land-disturbing activity under this section.

19 (b1) No person shall willfully resist, delay, or obstruct an authorized representative,
20 employee, or agent of the Department of Agriculture and Consumer Services while the
21 representative, employee, or agent is inspecting or attempting to inspect a land-disturbing
22 activity undertaken on forestland for the production and harvesting of timber and timber
23 products under this section.

24 (c) If the Secretary, a local government that administers an erosion and sedimentation
25 control program approved under G.S. 113A-60, or other approving authority determines that
26 the person engaged in the land-disturbing activity has failed to comply with this Article, the
27 Secretary, local government, or other approving authority shall immediately serve a notice of
28 violation upon that person. The notice may be served by any means authorized under
29 G.S. 1A-1, Rule 4. A notice of violation shall specify a date by which the person must comply
30 with this Article and inform the person of the actions that need to be taken to comply with this
31 Article. Any person who fails to comply within the time specified is subject to additional civil
32 and criminal penalties for a continuing violation as provided in G.S. 113A-64. If the person
33 engaged in the land-disturbing activity has not received a previous notice of violation under this
34 section, the Department, local government, or other approving authority shall deliver the notice
35 of violation in person and shall offer assistance in developing corrective measures. Assistance
36 may be provided by referral to a technical assistance program in the Department, referral to a
37 cooperative extension program, or by the provision of written materials such as Department
38 guidance documents. If the Department, local government, or other approving authority is
39 unable to deliver the notice of violation in person within 15 days following discovery of the
40 violation, the notice of violation may be served in the manner prescribed for service of process
41 by G.S. 1A-1, Rule 4, and shall include information on how to obtain assistance in developing
42 corrective measures."

43 **SECTION 6.(d)** G.S. 106-895 is amended by adding a new subsection to read:

44 "**§ 106-895. Powers of Department of Agriculture and Consumer Services.**

45 (a) The Department of Agriculture and Consumer Services may take such action as it
46 may deem necessary to provide for the prevention and control of forest fires in any and all parts
47 of this State, and it is hereby authorized to enter into an agreement with the Secretary of
48 Agriculture of the United States for the protection of the forested watersheds of streams in this
49 State.

50 (a1) The Department shall adopt Forest Practice Guidelines Related to Water Quality
51 pursuant to G.S. 113A-52.1 of the Sedimentation Pollution Control Act.

(b) In this Article, unless the context requires otherwise:

(1) "Commissioner" means the Commissioner of Agriculture.

(2) "Department" means the Department of Agriculture and Consumer Services."

ASSENT TO MUTUAL AID PROVISIONS OF THE GREAT PLAINS WILDLAND PROTECTION COMPACT

SECTION 7. G.S. 106-932 reads as rewritten:

"§ 106-932. Assent of legislature to mutual aid provisions of other compacts.

The legislature of this State hereby gives its assent to the mutual aid provisions of Articles IV and V of the South Central Interstate Forest Fire Protection Compact, the Middle Atlantic Interstate Fire Protection Compact, and the Great Plains Wildland Fire Protection Compact, in accordance with Article VIII of that Compact those Compacts relating to interregional mutual aid; and the legislature of this State also hereby gives its assent to the mutual aid provisions of Articles IV and V of the Middle Atlantic Interstate Forest Fire Protection Compact in accordance with Article VIII of that Compact relating to interregional mutual aid."

CLARIFY AGRITOURISM

SECTION 8.(a) G.S. 153A-340(b), as amended by Section 9 of this act, reads as rewritten:

"§ 153A-340. Grant of power.

...

(b) ...

(2) Except as provided in G.S. 106-743.4 for farms that are subject to a conservation agreement under G.S. 106-743.2, bona fide farm purposes include the production and activities relating or incidental to the production of crops, grains, fruits, vegetables, ornamental and flowering plants, dairy, livestock, poultry, and all other forms of agriculture, as defined in G.S. 106-581.1. For purposes of this subdivision, "when performed on the farm" in G.S. 106-581.1(6) shall include the farm within the jurisdiction of the county and any other farm owned or leased to or from others by the bona fide farm operator, no matter where located. For purposes of this subdivision, the production of a nonfarm product that the Department of Agriculture and Consumer Services recognizes as a "Goodness Grows in North Carolina" product that is produced on a farm subject to a conservation agreement under G.S. 106-743.2 is a bona fide farm purpose. For purposes of determining whether a property is being used for bona fide farm purposes, any of the following shall constitute sufficient evidence that the property is being used for bona fide farm purposes:

a. A farm sales tax exemption certificate issued by the Department of Revenue.

b. A copy of the property tax listing showing that the property is eligible for participation in the present use value program pursuant to G.S. 105-277.3.

c. A copy of the farm owner's or operator's Schedule F from the owner's or operator's most recent federal income tax return.

d. A forest management plan.

e. ~~A Farm Identification Number issued by the United States Department of Agriculture Farm Service Agency.~~

1 (2a) A building or structure that is used for agritourism is a bona fide farm
 2 purpose if the building or structure is located on a property that (i) is owned
 3 by a person who holds a qualifying farmer sales tax exemption certificate
 4 from the Department of Revenue pursuant to G.S. 105-164.13E(a) or (ii) is
 5 enrolled in the present-use value program pursuant to G.S. 105-277.3.
 6 Failure to maintain the requirements of this subsection for a period of three
 7 years after the date the building or structure was originally classified as a
 8 bona fide purpose pursuant to this subdivision shall subject the building or
 9 structure to applicable zoning and development regulation ordinances
 10 adopted by a county pursuant to subsection (a) of this section in effect on the
 11 date the property no longer meets the requirements of this subsection. For
 12 purposes of this section, "agritourism" means any activity carried out on a
 13 farm or ranch that allows members of the general public, for recreational,
 14 entertainment, or educational purposes, to view or enjoy rural activities,
 15 including farming, ranching, historic, cultural, harvest-your-own activities,
 16 or natural activities and attractions. A building or structure used for
 17 agritourism includes any building or structure used for public or private
 18 events, including, but not limited to, weddings, receptions, meetings,
 19 demonstrations of farm activities, meals, and other events that are taking
 20 place on the farm because of its farm or rural setting.

21 "

22 **SECTION 8.(b)** G.S. 143-138 reads as rewritten:

23 **"§ 143-138. North Carolina State Building Code.**

24 ...

25 (b4) Exclusion for Certain Farm Buildings. – Building rules do not apply to (i) farm
 26 buildings that are located outside the building-rules jurisdiction of any municipality, (ii) farm
 27 buildings that are located inside the building-rules jurisdiction of any municipality if the farm
 28 buildings are greenhouses, (iii) a primitive camp, or (iv) a primitive farm building. For the
 29 purposes of this subsection:

30 (1) For the purposes of this subdivision, a "farm building" means any
 31 nonresidential building or structure that is used for a bona fide farm purpose
 32 as provided in G.S. 153A-340. A "farm building" shall include:

33 a. Any structure used or associated with equine activities, including, but
 34 not limited to, the care, management, boarding, or training of horses
 35 and the instruction and training of riders. Structures that are
 36 associated with equine activities include, but are not limited to, free
 37 standing or attached sheds, barns, or other structures that are utilized
 38 to store any equipment, tools, commodities, or other items that are
 39 maintained or used in conjunction with equine activities. The specific
 40 types of equine activities, structures, and uses set forth in this
 41 subdivision are for illustrative purposes, and should not be construed
 42 to limit, in any manner, the types of activities, structures, or uses that
 43 may be considered under this subsection as exempted from building
 44 rules. A farm building that might otherwise qualify for exemption
 45 from building rules shall remain subject only to an annual safety
 46 inspection by the applicable city or county building inspection
 47 department of any grandstand, bleachers, or other spectator-seating
 48 structures in the farm building. An annual safety inspection shall
 49 include an evaluation of the overall safety of spectator-seating
 50 structures as well as ensuring the spectator-seating structure's
 51 compliance with any building codes related to the construction of

- 1 spectator-seating structures in effect at the time of the construction of
2 the spectator-seating.
- 3 b. Any structure used for the display and sale of produce, no more than
4 1,000 square feet in size, open to the public for no more than 180
5 days per year, and certified by the Department of Agriculture and
6 Consumer Services as a Certified Roadside Farm Market.
- 7 c. Any unoccupied structure built upon land owned by the State of
8 North Carolina and administratively allocated to the North Carolina
9 Department of Agriculture and Consumer Services or North Carolina
10 State University which is used primarily for forestry production and
11 research or agriculture production and research. The term
12 "agriculture" has the same meaning as in G.S. 106-581.1. The term
13 "unoccupied" does not exclude the keeping of livestock.
- 14 (1a) A "farm building" shall not lose its status as a farm building because it is
15 used for public or private events, including, but not limited to, weddings,
16 receptions, meetings, demonstrations of farm activities, meals, and other
17 events that are taking place on the farm because of its farm or rural setting.
- 18 (2) A "greenhouse" is a structure that has a glass or plastic roof, has one or more
19 glass or plastic walls, has an area over ninety-five percent (95%) of which is
20 used to grow or cultivate plants, is built in accordance with the National
21 Greenhouse Manufacturers Association Structural Design manual, and is not
22 used for retail sales. Additional provisions addressing distinct life safety
23 hazards shall be approved by the local building-rules jurisdiction.
- 24 (3) Repealed by Session Laws 2015-263, s. 34, effective September 30, 2015.
- 25 (4) A "primitive camp" shall include any structure primarily used or associated
26 with outdoor camping activities, including structures used for educational,
27 instructional, or recreational purposes for campers and for management
28 training, that are (i) not greater than 4,000 square feet in size and (ii) are not
29 intended to be occupied for more than 24 hours consecutively. "Structures
30 primarily used or associated with outdoor camping activities" include, but
31 are not limited to, shelters, tree stands, outhouses, sheds, rustic cabins,
32 campfire shelters, picnic shelters, tents, tepees or other indigenous huts,
33 support buildings used only for administrative functions and not for
34 activities involving campers or program participants, and any other
35 structures that are utilized to store any equipment, tools, commodities, or
36 other items that are maintained or used in conjunction with outdoor camping
37 activities such as hiking, fishing, hunting, or nature appreciation, regardless
38 of material used for construction. The specific types of primitive camping
39 activities, structures, and uses set forth in this subdivision are for illustrative
40 purposes and should not be construed to limit, in any manner, the types of
41 activities, structures, or uses that are exempted from building rules.
- 42 (5) A "primitive farm building" shall include any structure used for activities,
43 instruction, training, or reenactment of traditional or heritage farming
44 practices. "Primitive farm buildings" include, but are not limited to, sheds,
45 barns, outhouses, doghouses, or other structures that are utilized to store any
46 equipment, tools, commodities, livestock, or other items supporting farm
47 management. These specific types of farming activities, structures, and uses
48 set forth by this subdivision are for illustrative purposes and should not be
49 construed to limit in any manner the types of activities, structures, or uses
50 that are exempted from building rules.
- 51 (6) Repealed by Session Laws 2015-263, s. 34, effective September 30, 2015.

1"

2
3 **ELIMINATE COUNTY AUTHORITY TO ADOPT ZONING REGULATIONS**
4 **GOVERNING SWINE FARMS**

5 **SECTION 9.(a)** G.S. 153A-340(b) reads as rewritten:

6 "(b) (1) These regulations may not affect property used for bona fide farm purposes
7 ~~only as provided in subdivision (3) of this subsection. This purposes;~~
8 provided, however, that this subsection does not limit regulation under this
9 Part with respect to the use of farm property for nonfarm purposes.

10 (2) Except as provided in G.S. 106-743.4 for farms that are subject to a
11 conservation agreement under G.S. 106-743.2, bona fide farm purposes
12 include the production and activities relating or incidental to the production
13 of crops, grains, fruits, vegetables, ornamental and flowering plants, dairy,
14 livestock, poultry, and all other forms of agriculture, as defined in
15 G.S. 106-581.1. For purposes of this subdivision, "when performed on the
16 farm" in G.S. 106-581.1(6) shall include the farm within the jurisdiction of
17 the county and any other farm owned or leased to or from others by the bona
18 fide farm operator, no matter where located. For purposes of this
19 subdivision, the production of a nonfarm product that the Department of
20 Agriculture and Consumer Services recognizes as a "Goodness Grows in
21 North Carolina" product that is produced on a farm subject to a conservation
22 agreement under G.S. 106-743.2 is a bona fide farm purpose. For purposes
23 of determining whether a property is being used for bona fide farm purposes,
24 any of the following shall constitute sufficient evidence that the property is
25 being used for bona fide farm purposes:

- 26 a. A farm sales tax exemption certificate issued by the Department of
27 Revenue.
28 b. A copy of the property tax listing showing that the property is
29 eligible for participation in the present use value program pursuant to
30 G.S. 105-277.3.
31 c. A copy of the farm owner's or operator's Schedule F from the owner's
32 or operator's most recent federal income tax return.
33 d. A forest management plan.
34 e. A Farm Identification Number issued by the United States
35 Department of Agriculture Farm Service Agency.

36 ~~(3) The definitions set out in G.S. 106-802 apply to this subdivision. A county
37 may adopt zoning regulations governing swine farms served by animal waste
38 management systems having a design capacity of 600,000 pounds steady
39 state live weight (SSLW) or greater provided that the zoning regulations
40 may not have the effect of excluding swine farms served by an animal waste
41 management system having a design capacity of 600,000 pounds SSLW or
42 greater from the entire zoning jurisdiction."~~

43 **SECTION 9.(b)** G.S. 106-743.4(a) reads as rewritten:

44 "(a) Property that is subject to a conservation agreement under G.S. 106-743.2 that
45 remains in effect may receive up to twenty-five percent (25%) of its gross sales from the sale of
46 nonfarm products and still qualify as a bona fide farm that is exempt from zoning regulations
47 under G.S. 153A-340(b). For purposes of G.S. 153A-340(b), the production of any nonfarm
48 product that the Department of Agriculture and Consumer Services recognizes as a "Goodness
49 Grows in North Carolina" product that is produced on a farm that is subject to a conservation
50 agreement under G.S. 106-743.2 is a bona fide farm purpose. A farmer seeking to benefit from
51 this subsection shall have the burden of establishing that the property's sale of nonfarm

1 products did not exceed twenty-five percent (25%) of its gross sales. A county may adopt an
2 ordinance pursuant to this section that sets forth the standards necessary for proof of
3 compliance.

4 ~~Nothing in this section shall affect the county's authority to zone swine farms pursuant to~~
5 ~~G.S. 153A-340(b)(3)."~~

6
7 **ALLOW FOOD COMPLIANCE INSPECTORS TO DRIVE STATE VEHICLES**
8 **WITHOUT STATE TAGS AND BUMPER STICKERS**

9 **SECTION 10.** G.S. 20-39.1 is amended by adding a new subsection to read:

10 **"§ 20-39.1. Publicly owned vehicles to be marked; private license plates on publicly**
11 **owned vehicles.**

12 (a) Except as otherwise provided in this section, the executive head of every department
13 of State government and every county, institution, or agency of the State shall mark every
14 motor vehicle owned by the State, county, institution, or agency with a statement that the
15 vehicle belongs to the State, county, institution, or agency. The requirements of this subsection
16 are complied with if:

- 17 (1) The vehicle has imprinted on the license plate, above the license number, the
18 words "State Owned" and the vehicle has affixed to the front the words
19 "State Owned";
20 (2) In the case of a county, the vehicle has painted or affixed on its side a circle
21 not less than eight inches in diameter showing a replica of the seal of the
22 county; or
23 (3) In the case of vehicles assigned to members of the Council of State, the
24 vehicle has imprinted on the license plate the license number assigned to the
25 appropriate member of the Council of State pursuant to G.S. 20-79.5(a); a
26 member of the Council of State shall not be assessed any registration fee if
27 the member elects to have a State-owned motor vehicle assigned to the
28 member designated by the official plate number.

29 (b) A motor vehicle used by any State or county officer or official for transporting,
30 apprehending, or arresting persons charged with violations of the laws of the United States or
31 the laws of this State is not required to be marked as provided in subsection (a) of this section.
32 The Commissioner may lawfully provide private license plates to local, State, or federal
33 departments or agencies for use on publicly owned or leased vehicles used for those purposes.
34 Private license plates issued under this subsection shall be issued on an annual basis and the
35 records of issuance shall be maintained in accordance with the provisions of G.S. 20-56.

36 (c) A motor vehicle used by a county for transporting day or residential facility clients
37 of area mental health, developmental disabilities, and substance abuse authorities established
38 under Article 4 of Chapter 122C of the General Statutes is not required to be marked as
39 provided in subsection (a) of this section. The Commissioner may lawfully provide private
40 license plates to counties for use on publicly owned or leased vehicles used for that purpose.
41 Private license plates issued under this subsection shall be issued on an annual basis and the
42 records of issuance shall be maintained in accordance with the provisions of G.S. 20-56.

43 (c1) A motor vehicle used by the Department of Agriculture and Consumer Services
44 exclusively for Meat and Poultry compliance officers to conduct inspections is not required to
45 be marked as provided in subsection (a) of this section. The Commissioner may lawfully
46 provide private license plates to the Department of Agriculture and Consumer Services for use
47 on publicly owned or leased vehicles used for this purpose. Private license plates issued under
48 this subsection shall be issued on an annual basis and the records of issuance shall be
49 maintained in accordance with the provisions of G.S. 20-56.

50"
51

MEAT AND POULTRY TECHNICAL CORRECTIONS

SECTION 11.(a) G.S. 106-549.15(1) reads as rewritten:

"§ 106-549.15. Definitions.

As used in this Article, except as otherwise specified, the following terms shall have the meanings stated below:

(1) "Adulterated" shall apply to any carcass, part thereof, meat or meat food product under one or more of the following circumstances:

- a. If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance, such article shall not be considered adulterated under this clause if the quantity of such substance in or on such article does not ordinarily render it injurious to health;
- b.
 1. If it bears or contains (by reason of administration of any substance to the live animal or otherwise) any added poisonous or added deleterious substance (other than one which is (i) a pesticide chemical in or on a raw agricultural commodity; (ii) a food additive; or (iii) a color additive) which may, in the judgment of the Commissioner, make such article unfit for human food;
 2. If it is, in whole or in part, a raw agricultural commodity and such commodity bears or contains a pesticide chemical which is unsafe within the meaning of section 408 of the Federal Food, Drug, and Cosmetic Act;
 3. If it bears or contains any food additive which is unsafe within the meaning of section 409 of the Federal Food, Drug, and Cosmetic Act;
 4. If it bears or contains any color additive which is unsafe within the meaning of section ~~706-721~~ of the Federal Food, Drug, and Cosmetic Act: Provided, that an article which is not adulterated under clause 2, 3, or 4 shall nevertheless be deemed adulterated if use of the pesticide chemical, food additive or color additive in or on such article is prohibited by order of the Commissioner in establishments at which inspection is maintained under this Article;

...."

SECTION 11.(b) G.S. 106-549.51 reads as rewritten:

"§ 106-549.51. Definitions.

For purposes of this Article, the following terms shall have the meanings stated below:

(1) "Adulterated" shall apply to any poultry product under one or more of the following circumstances:

- a. If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance, such article shall not be considered adulterated under this clause if the quantity of such substance in or on such article does not ordinarily render it injurious to health;
- b.
 1. If it bears or contains (by reason of administration of any substance to the live poultry or otherwise) any added poisonous or added deleterious substance (other than one which is a pesticide chemical in or on a raw agricultural commodity; a food additive; or a color additive) which may,

- 1 in the judgment of the Commissioner, make such article unfit
- 2 for human food;
- 3 2. If it is, in whole or in part, a raw agricultural commodity and
- 4 such commodity bears or contains a pesticide chemical which
- 5 is unsafe within the meaning of section 408 of the Federal
- 6 Food, Drug, and Cosmetic Act;
- 7 3. If it bears or contains any food additive which is unsafe
- 8 within the meaning of section 409 of the Federal Food, Drug,
- 9 and Cosmetic Act;
- 10 4. If it bears or contains any color additive which is unsafe
- 11 within the meaning of section ~~706~~721 of the Federal Food,
- 12 Drug, and Cosmetic Act: Provided, that an article which is
- 13 not otherwise deemed adulterated under paragraphs 2, 3, or 4
- 14 shall nevertheless be deemed adulterated if use of the
- 15 pesticide chemical, food additive, or color additive in or on
- 16 such article is prohibited by regulations of the Board in
- 17 official establishments;
- 18"
- 19

MODERNIZE FOREST RANGER STATUTES

SECTION 12.(a) G.S. 106-896 reads as rewritten:

"§ 106-896. Forest rangers, deputy rangers, and emergency workers.

The Commissioner ~~or the Commissioner's designee~~ may ~~appoint one county forest ranger and one or more deputy forest rangers in each county of the State in which, after careful investigation, the amount of forestland and the risks from forest fires shall, in his judgment, warrant the establishment of a forest fire organization.~~ authorize as many forest rangers, deputy rangers, or emergency workers as the Commissioner deems necessary and available. For purposes of this Article, the following definitions apply:

- (1) "Deputy ranger" means a highly trained emergency worker hired on a temporary basis to respond to a given emergency or condition. A deputy ranger shall be sworn or affirmed to the terms of "General Oath" as provided in G.S. 11-11. A deputy ranger shall have the powers and duties as enumerated in G.S. 106-899.
- (2) "Emergency worker" means a person who is not an employee of the North Carolina Forest Service but is an individual serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency. Except for a deputy ranger, an emergency worker is not sworn or affirmed to the terms of "General Oath" provided in G.S. 11-11.
- (3) "Forest ranger" means an employee of the North Carolina Forest Service who has been sworn or affirmed to the terms of "General Oath" provided in G.S. 11-11. A forest ranger shall have the powers and duties as enumerated in G.S. 106-898 and G.S. 106-899."

SECTION 12.(b) G.S. 106-899 reads as rewritten:

"§ 106-899. Powers of forest rangers and deputy rangers to prevent and extinguish fires; authority to issue citations and warning tickets.

(a) Forest rangers ~~or deputy rangers~~ shall prevent and extinguish forest fires and shall have control and direction of all persons and equipment while engaged in the extinguishing of forest fires. During a season of drought, the Commissioner or his designate may establish a fire patrol in any district, and in case of fire in or threatening any forest or woodland, the forest ranger ~~or deputy ranger~~ shall attend forthwith and use all necessary means to confine and extinguish such fire. The forest ranger ~~or deputy forest ranger~~ may summon any resident

1 between the ages of 18 and 45 years, inclusive, to assist in extinguishing fires and may require
2 the use of crawler tractors and other property needed for such purposes; any person so
3 summoned and who is physically able who refuses or neglects to assist or to allow the use of
4 equipment and such other property required shall be guilty of a Class 3 misdemeanor and upon
5 conviction shall only be subject to a fine of not less than fifty dollars (\$50.00) nor more than
6 one hundred dollars (\$100.00). No action for trespass shall lie against any forest ranger, deputy
7 ~~forest~~-ranger, or person summoned by ~~him~~a forest ranger for crossing lands, backfiring,
8 burning out or performing his duties as a forest ranger or deputy ~~forest~~-ranger.

9 (b) Forest rangers are authorized to issue and serve citations under the terms of
10 G.S. 15A-302 and warning tickets under the terms of G.S. 106-901 for offenses under the forest
11 laws. This subsection may not be interpreted to confer the power of arrest on forest rangers, and
12 does not make them criminal justice officers within the meaning of G.S. 17C-2."

13 **SECTION 12.(c)** G.S. 106-902 reads as rewritten:

14 "**§ 106-902. Compensation of forest ~~rangers~~rangers, deputy rangers, and emergency**
15 **workers.**

16 Forest ~~rangers~~rangers, deputy rangers, and emergency workers shall receive compensation
17 from the Department at a reasonable rate to be fixed by said Department for the time actually
18 engaged in the performance of their duties; and reasonable expenses for equipment,
19 transportation, or food supplies incurred in the performance of their duties, according to an
20 itemized statement to be rendered the Commissioner every month, and approved by him. Forest
21 rangers shall render to the Commissioner a statement of the services rendered by the men
22 employed by them or their deputy rangers, as provided in this Article, within one month of the
23 date of service, which bill shall show in detail the amount and character of the service
24 performed, the exact duration thereof, the name of each person employed, and any other
25 information required by the Commissioner. If said bill be duly approved by the Commissioner,
26 it shall be paid by direction of the Department out of any funds provided for that purpose."

27 **SECTION 12.(d)** G.S. 106-907 reads as rewritten:

28 "**§ 106-907. Instructions on forest preservation and development.**

29 (a) It shall be the duty of all ~~district, county, township rangers, and all deputy forest~~
30 rangers provided for in this Chapter to distribute in all of the public schools and high schools of
31 the county in which they are serving as such ~~fire~~forest rangers all such tracts, books,
32 periodicals and other literature that may, from time to time, be sent out to such rangers by the
33 State and federal forestry agencies touching or dealing with forest preservation, development,
34 and forest management.

35 (b) It shall be the duty of the ~~various forest~~ rangers herein mentioned under the
36 direction of the Commissioner, and the duty of the teachers of the various schools, both public
37 and high schools, to keep posted at some conspicuous place in the various classrooms of the
38 school buildings such appropriate bulletins and posters as may be sent out from the forestry
39 agencies herein named for that purpose and keep the same constantly before their pupils; and
40 said teachers and rangers shall prepare lectures or talks to be made to the pupils of the various
41 schools on the subject of forest fires, their origin and their destructive effect on the plant life
42 and tree life of the forests of the State, the development and scientific management of the
43 forests of the State, and shall be prepared to give practical instruction to their pupils from time
44 to time and as often as they shall find it possible so to do."

45 **SECTION 12.(e)** G.S. 106-941 reads as rewritten:

46 "**§ 106-941. Definitions.**

47 As used in this Article:

48 (1) "Department" means the Department of Agriculture and Consumer Services.

49 (2) "Forest ranger" means ~~the county forest ranger or deputy~~a forest ranger
50 designated under ~~G.S. 106-896~~G.S. 106-896(3).

1 (3) "Person" means any individual, firm, partnership, corporation, association,
2 public or private institution, political subdivision, or government agency.

3 (4) "Woodland" means woodland as defined in G.S. 106-904."

4 **SECTION 12.(f)** G.S. 106-942 reads as rewritten:

5 **"§ 106-942. High hazard counties; permits required; standards.**

6 (a) The provisions of this section apply only to the counties of Beaufort, Bladen,
7 Brunswick, Camden, Carteret, Chowan, Craven, Currituck, Dare, Duplin, Gates, Hyde, Jones,
8 Onslow, Pamlico, Pasquotank, Perquimans, Tyrrell, and Washington which are classified as
9 high hazard counties in accordance with G.S. 106-940.

10 (b) It is unlawful for any person to willfully start or cause to be started any fire in any
11 woodland under the protection of the Department or within 500 feet of any such woodland
12 without first having obtained a permit from the Department. Permits for starting fires may be
13 obtained from forest rangers or other agents authorized by the ~~county~~ forest ranger to issue
14 such permits in the county in which the fire is to be started. Such permits shall be issued by the
15 ranger or other agent unless permits for the area in question have been prohibited or cancelled
16 in accordance with G.S. 106-944 or G.S. 106-946.

17"

18
19 **ALLOW EMERGENCY WORKERS TO RECEIVE WORKERS' COMPENSATION**
20 **WHEN RESPONDING TO NONFIRE EMERGENCIES**

21 **SECTION 13.** G.S. 97-2 reads as rewritten:

22 **"§ 97-2. Definitions.**

23 When used in this Article, unless the context otherwise requires:

24 ...

25 (2) Employee. – The term "employee" means every person engaged in an
26 employment under any appointment or contract of hire or apprenticeship,
27 express or implied, oral or written, including aliens, and also minors,
28 whether lawfully or unlawfully employed, but excluding persons whose
29 employment is both casual and not in the course of the trade, business,
30 profession, or occupation of his employer, and as relating to those so
31 employed by the State, the term "employee" shall include all officers and
32 employees of the State, including such as are elected by the people, or by the
33 General Assembly, or appointed by the Governor to serve on a per diem,
34 part-time or fee basis, either with or without the confirmation of the Senate;
35 as relating to municipal corporations and political subdivisions of the State,
36 the term "employee" shall include all officers and employees thereof,
37 including such as are elected by the people. The term "employee" shall
38 include members of the North Carolina National Guard while on State active
39 duty under orders of the Governor and members of the North Carolina State
40 Defense Militia while on State active duty under orders of the Governor. The
41 term "employee" shall include deputy sheriffs and all persons acting in the
42 capacity of deputy sheriffs, whether appointed by the sheriff or by the
43 governing body of the county and whether serving on a fee basis or on a
44 salary basis, or whether deputy sheriffs serving upon a full-time basis or a
45 part-time basis, and including deputy sheriffs appointed to serve in an
46 emergency, but as to those so appointed, only during the continuation of the
47 emergency. The sheriff shall furnish to the board of county commissioners a
48 complete list of all deputy sheriffs named or appointed by him immediately
49 after their appointment and notify the board of commissioners of any
50 changes made therein promptly after such changes are made. Any reference
51 to an employee who has been injured shall, when the employee is dead,

1 include also the employee's legal representative, dependents, and other
2 persons to whom compensation may be payable: Provided, further, that any
3 employee, as herein defined, of a municipality, county, or of the State of
4 North Carolina, while engaged in the discharge of the employee's official
5 duty outside the jurisdictional or territorial limits of the municipality, county,
6 or the State of North Carolina and while acting pursuant to authorization or
7 instruction from any superior officer, shall have the same rights under this
8 Article as if such duty or activity were performed within the territorial
9 boundary limits of their employer.

10 Except as otherwise provided herein, every executive officer elected or
11 appointed and empowered in accordance with the charter and bylaws of a
12 corporation shall be considered as an employee of such corporation under
13 this Article.

14 Any such executive officer of a corporation may, notwithstanding any
15 other provision of this Article, be exempt from the coverage of the
16 corporation's insurance contract by such corporation's specifically excluding
17 such executive officer in such contract of insurance, and the exclusion to
18 remove such executive officer from the coverage shall continue for the
19 period such contract of insurance is in effect, and during such period such
20 executive officers thus exempted from the coverage of the insurance contract
21 shall not be employees of such corporation under this Article.

22 All county agricultural extension service employees who do not receive
23 official federal appointments as employees of the United States Department
24 of Agriculture and who are field faculty members with professional rank as
25 designated in the memorandum of understanding between the North
26 Carolina Agricultural Extension Service, North Carolina State University, A
27 & T State University, and the boards of county commissioners shall be
28 deemed to be employees of the State of North Carolina. All other county
29 agricultural extension service employees paid from State or county funds
30 shall be deemed to be employees of the county board of commissioners in
31 the county in which the employee is employed for purposes of workers'
32 compensation.

33 The term "employee" shall also include members of the Civil Air Patrol
34 currently certified pursuant to G.S. 143B-1031(a) when performing duties in
35 the course and scope of a State-approved mission pursuant to Subpart C of
36 Part 5 of Article 13 of Chapter 143B of the General Statutes.

37 "Employee" shall not include any person performing voluntary service as
38 a ski patrolman who receives no compensation for such services other than
39 meals or lodging or the use of ski tow or ski lift facilities or any combination
40 thereof.

41 "Employee" shall not include any person elected or appointed and
42 empowered as an executive officer, director, or committee member under the
43 charter, articles, or bylaws of a nonprofit corporation subject to Chapter
44 47A, 47C, 47F, 55A, or 59B of the General Statutes, or any organization
45 exempt from federal income tax under section 501(c)(3) of the Internal
46 Revenue Code, who performs only voluntary service for the nonprofit
47 corporation, provided that the person receives no remuneration for the
48 voluntary service other than reasonable reimbursement for expenses incurred
49 in connection with the voluntary service. When a nonprofit corporation as
50 described herein employs one or more persons who do receive remuneration
51 other than reasonable reimbursement for expenses, then any volunteer

1 officers, directors, or committee members excluded from the definition of
2 "employee" by operation of this paragraph shall be counted as employees for
3 the sole purpose of determining the number of persons regularly employed
4 in the same business or establishment pursuant to G.S. 97-2(1). Other than
5 for the limited purpose of determining the number of persons regularly
6 employed in the same business or establishment, such volunteer nonprofit
7 officers, directors, or committee members shall not be "employees" under
8 the Act. Nothing herein shall prohibit a nonprofit corporation as described
9 herein from voluntarily electing to provide for workers' compensation
10 benefits in the manner provided in G.S. 97-93 for volunteer officers,
11 directors, or committee members excluded from the definition of
12 "employee" by operation of this paragraph. This paragraph shall not apply to
13 any volunteer firefighter, volunteer member of an organized rescue squad, an
14 authorized ~~pickup firefighter~~ emergency worker when that individual is
15 engaged in emergency fire suppression activities for the North Carolina
16 Forest Service, a duly appointed and sworn member of an auxiliary police
17 department organized pursuant to G.S. 160A-282, or a senior member of the
18 State Civil Air Patrol functioning under Subpart C of Part 5 of Article 13 of
19 Chapter 143B of the General Statutes, even if such person is elected or
20 appointed and empowered as an executive officer, director, or committee
21 member under the charter, articles, or bylaws of a nonprofit corporation as
22 described herein.

23 Any sole proprietor or partner of a business or any member of a limited
24 liability company may elect to be included as an employee under the
25 workers' compensation coverage of such business if he or she is actively
26 engaged in the operation of the business and if the insurer is notified of his
27 election to be so included. Any such sole proprietor or partner or member of
28 a limited liability company shall, upon such election, be entitled to employee
29 benefits and be subject to employee responsibilities prescribed in this
30 Article.

31 "Employee" shall include an authorized ~~pickup firefighter~~ emergency
32 worker of the North Carolina Forest Service of the Department of
33 Agriculture and Consumer Services when that individual is engaged in
34 emergency ~~fire suppression~~ activities for the North Carolina Forest Service.
35 As used in this section, "authorized ~~pickup firefighter~~ emergency worker"
36 means an individual who has completed required ~~fire suppression~~ emergency
37 response training as a ~~wildland firefighter~~ required by the North Carolina
38 Forest Service and who is available as needed by the North Carolina Forest
39 Service for emergency ~~fire suppression~~ activities, including immediate
40 dispatch to ~~wildfires~~ wildfires, snow events, hurricanes, earthquakes, floods,
41 or other emergencies, and standby for initial attack on fires during periods of
42 high fire danger.

43 It shall be a rebuttable presumption that the term "employee" shall not
44 include any person performing services in the sale of newspapers or
45 magazines to ultimate consumers under an arrangement whereby the
46 newspapers or magazines are to be sold by that person at a fixed price and
47 the person's compensation is based on the retention of the excess of the fixed
48 price over the amount at which the newspapers or magazines are charged to
49 the person.

50"
51

1 **CREATE EXCEPTION FROM CONSERVATION BENEFIT ANALYSIS FOR**
2 **CERTAIN EASEMENTS**

3 **SECTION 14.** G.S. 121-39.1 reads as rewritten:

4 **"§ 121-39.1. Termination or modification of agreements.**

5 ...

6 (g) This section shall not apply to a condemnation action initiated by a condemnor
7 governed by Article 6 of Chapter 40A of the General ~~Statutes~~.Statutes or to a voluntary
8 termination or modification affecting no more than the lesser of two percent (2%) or one acre
9 of the total easement area of the conservation agreement when requested by a public utility, the
10 Department of Transportation, or a government entity having eminent domain authority under
11 Article 3 of Chapter 40A of the General Statutes."

12
13 **EXEMPT FARM TRUCKS THAT STAY IN STATE FROM HAVING A USDOT**
14 **IDENTIFICATION NUMBER**

15 **SECTION 15.** G.S. 20-101 reads as rewritten:

16 **"§ 20-101. Certain business vehicles to be marked.**

17 (a) A motor vehicle that is subject to 49 C.F.R. Part 390, the federal motor carrier
18 safety regulations, shall be marked as required by that Part.

19 (b) A motor vehicle with a gross vehicle weight rating of more than 26,000 pounds that
20 is used in intrastate commerce shall have (i) the name of the owner and (ii) the motor carrier's
21 identification number preceded by the letters "USDOT" and followed by the letters "NC"
22 printed on each side of the vehicle in letters not less than three inches in height. The provisions
23 of this subsection shall not apply if any of the following are true:

24 (1) The motor vehicle is subject to 49 C.F.R. Part 390.

25 (2) The motor vehicle is of a type listed in 49 C.F.R. 390.3(f).

26 (3) The motor vehicle is licensed at the farmer rate under G.S. 20-88.

27 (c) A motor vehicle that is subject to regulation by the North Carolina Utilities
28 Commission shall be marked as required by that Commission and as otherwise required by this
29 section.

30 (d) A motor vehicle equipped to tow or transport another motor vehicle, hired for the
31 purpose of towing or transporting another motor vehicle, shall have the name and address of the
32 registered owner of the vehicle, and the name of the business or person being hired if different,
33 printed on each side of the vehicle in letters not less than three inches in height. This subsection
34 shall not apply to motor vehicles subject to 49 C.F.R. Part 390."

35
36 **EXEMPT CLOSURE OF HOG LAGOONS FROM REQUIRING THE USE OF A**
37 **PROFESSIONAL ENGINEER**

38 **SECTION 16.** G.S. 89C-25 reads as rewritten:

39 **"§ 89C-25. Limitations on application of Chapter.**

40 This Chapter shall not prevent the following activities:

41 (1) The practice of architecture as defined in Chapter 83A of the General
42 Statutes, landscape architecture as defined in Chapter 89A of the General
43 Statutes, or contracting as defined in Articles 1, 2, 4, and 5 of Chapter 87 of
44 the General Statutes.

45 (2) Repealed by Session Laws 2011-304, s. 7, effective June 26, 2011.

46 (3) Repealed by Session Laws 2011-304, s. 7, effective June 26, 2011.

47 (4) Engaging in engineering or land surveying as an employee or assistant under
48 the responsible charge of a professional engineer or professional land
49 surveyor.

50 (5) The practice of professional engineering or land surveying by any person not
51 a resident of, and having no established place of business in this State, as a

1 consulting associate of a professional engineer or professional land surveyor
2 licensed under the provisions of this Chapter; provided, the nonresident is
3 qualified for performing the professional service in the person's own state or
4 country.

5 (6) Practice by members of the Armed Forces of the United States; employees
6 of the government of the United States while engaged in the practice of
7 engineering or land surveying solely for the government on
8 government-owned works and projects; or practice by those employees of
9 the Natural Resources Conservation Service, county employees, or
10 employees of the Soil and Water Conservation Districts who have federal
11 engineering job approval authority that involves the planning, designing, or
12 implementation of best management practices on agricultural lands.

13 (7) Repealed by Session Laws 2014-120, s. 11(a), effective September 18, 2014.

14 (7a) The engineering or surveying activities of a person as defined by
15 G.S. 89C-3(5) who is engaged in manufacturing, processing, producing, or
16 transmitting and delivering a product or public utility service, and which
17 activities are reasonably necessary and connected with the primary services
18 performed by individuals regularly employed in the ordinary course of
19 business by the person, provided that the engineering or surveying activity is
20 not a holding out or an offer to the public of engineering or surveying
21 services, as prohibited by this Chapter. The engineering and surveying
22 services may not be offered, performed, or rendered independently from the
23 primary services rendered by the person. For purposes of this subdivision,
24 "activities reasonably necessary and connected with the primary service"
25 include the following:

- 26 a. Installation or servicing of the person's product or public utility
27 service by employees of the person conducted outside the premises
28 of the person's business.
- 29 b. Design, acquisition, installation, or maintenance of machinery,
30 equipment, or apparatus incidental to the manufacture or installation
31 of the product or public utility service performed by employees of
32 the person upon property owned, leased, or used by the person.
- 33 c. Research and development performed in connection with the
34 manufacturing, processing, or production of the person's product or
35 public utility service by employees of the person.

36 Engineering or surveying activities performed pursuant to this
37 subdivision, where the safety of the public is directly involved, shall be
38 under the responsible charge of a licensed professional engineer or licensed
39 professional surveyor.

40 (8) The (i) preparation of fire sprinkler planning and design drawings by a fire
41 sprinkler contractor licensed under Article 2 of Chapter 87 of the General
42 Statutes, or (ii) the performance of internal engineering or survey work by a
43 manufacturing or communications common carrier company, or by a
44 research and development company, or by employees of those corporations
45 provided that the work is in connection with, or incidental to products of, or
46 nonengineering services rendered by those corporations or their affiliates.

47 (9) The routine maintenance or servicing of machinery, equipment, facilities or
48 structures, the work of mechanics in the performance of their established
49 functions, or the inspection or supervision of construction by a foreman,
50 superintendent, or agent of the architect or professional engineer, or services
51 of an operational nature performed by an employee of a laboratory, a

- 1 manufacturing plant, a public service corporation, or governmental
2 operation.
- 3 (10) The design of land application irrigation systems for an animal waste
4 management plan, required by G.S. 143-215.10C, by a designer who
5 exhibits, by at least three years of relevant experience, proficiency in soil
6 science and basic hydraulics, and who is thereby listed as an Irrigation
7 Design Technical Specialist by the North Carolina Soil and Water
8 Conservation Commission.
- 9 (11) The decommissioning of waste impoundments for animal waste
10 management systems, as defined by G.S. 143-215.10B(3), by a person who
11 is designated as a Technical Specialist in the Waste Utilization Plan/Nutrient
12 Management Category by the North Carolina Soil and Water Conservation
13 Commission. This subsection shall not apply to the design or installation of a
14 spillway."
15

16 **EXEMPT FARM VEHICLES ENGAGED IN INTRASTATE COMMERCE FROM**
17 **CERTAIN FEDERAL MOTOR CARRIER SAFETY REGULATIONS**

18 **SECTION 17.** G.S. 20-381 is amended by adding a new subsection to read:

19 **"§ 20-381. Specific powers and duties of Department of Public Safety applicable to motor**
20 **carriers; agricultural exemption.**

21 (a) The Department of Public Safety has the following powers and duties concerning
22 motor carriers:

- 23 (1) To prescribe qualifications and maximum hours of service of drivers and
24 their helpers.
- 25 (1a) To set safety standards for vehicles of motor carriers engaged in foreign,
26 interstate, or intrastate commerce over the highways of this State and for the
27 safe operation of these vehicles. The Department of Public Safety may stop,
28 enter upon, and perform inspections of motor carriers' vehicles in operation
29 to determine compliance with these standards and may conduct any
30 investigations and tests it finds necessary to promote the safety of equipment
31 and the safe operation on the highway of these vehicles.
- 32 (1b) To enforce this Article, rules adopted under this Article, and the federal
33 safety and hazardous materials regulations.
- 34 (2) To enter the premises of a motor carrier to inspect a motor vehicle or any
35 equipment used by the motor carrier in transporting passengers or property.
- 36 (2a) To prohibit the use by a motor carrier of any motor vehicle or motor vehicle
37 equipment the Department of Public Safety finds, by reason of its
38 mechanical condition or loading, would be likely to cause a crash or
39 breakdown in the transportation of passengers or property on a highway. If
40 an agent of the Department of Public Safety finds a motor vehicle of a motor
41 carrier in actual use upon the highways in the transportation of passengers or
42 property that, by reason of its mechanical condition or loading, would be
43 likely to cause a crash or breakdown, the agent shall declare the vehicle "Out
44 of Service." The agent shall require the operator thereof to discontinue its
45 use and to substitute therefor a safe vehicle, parts or equipment at the earliest
46 possible time and place, having regard for both the convenience and the
47 safety of the passengers or property. When an inspector or agent stops a
48 motor vehicle on the highway, under authority of this section, and the motor
49 vehicle is declared "Out of Service," no motor carrier operator shall require,
50 or permit, any person to operate, nor shall any person operate, any motor
51 vehicle equipment declared "Out of Service" until all repairs required by the

1 "Out of Service" notice have been satisfactorily completed. Such agents or
2 inspectors shall also have the right to stop any motor vehicle which is being
3 used upon the public highways for the transportation of passengers or
4 property by a motor carrier subject to the provisions of this Article and to
5 eject therefrom any driver or operator who shall be operating or be in charge
6 of such motor vehicle while under the influence of alcoholic beverages or
7 impairing substances. It shall be the duty of all inspectors and agents of the
8 Department of Public Safety to make a written report, upon a form
9 prescribed by the Department of Public Safety, of inspections of all motor
10 equipment and a copy of each such written report, disclosing defects in such
11 equipment, shall be served promptly upon the motor carrier operating the
12 same, either in person by the inspector or agent or by mail. Such agents and
13 inspectors shall also make and serve a similar written report in cases where a
14 motor vehicle is operated in violation of this Chapter or, if the motor vehicle
15 is subject to regulation by the North Carolina Utilities Commission, of
16 Chapter 62 of the General Statutes.

17 (3) To relieve the highways of all undue burdens and safeguard traffic thereon
18 by adopting and enforcing rules and orders designed and calculated to
19 minimize the dangers attending transportation on the highways of all
20 hazardous materials and other commodities.

21 (4) To determine the safety fitness of intrastate motor carriers, to assign safety
22 ratings to intrastate motor carriers as defined in 49 C.F.R. § 385.3, to direct
23 intrastate motor carriers to take remedial action when required, to prohibit
24 the operation of intrastate motor carriers rated unsatisfactory, to determine
25 whether the continued operations of intrastate motor carriers pose an
26 "imminent hazard" as defined in 49 C.F.R. § 386.72(b)(1), and to prohibit
27 the operation of an intrastate motor carrier found to be an "imminent hazard"
28 as defined in 49 C.F.R. § 386.72(b)(1).

29 (5) To prohibit the intrastate operation of a motor carrier subject to an order
30 issued by the Federal Motor Carrier Safety Administration to cease all
31 operations based on a finding that the continued operations of the motor
32 carrier pose an "imminent hazard" as defined in 49 C.F.R. § 386.72(b)(1).

33 (b) The definitions set out in 49 Code of Federal Regulations § 171.8 apply to this
34 subsection. The transportation of an agricultural product, other than a Class 2 material, over
35 local roads between fields of the same farm by a farmer operating as an intrastate private motor
36 carrier is exempt from the requirements of Parts 171 through 180 of 49 CFR as provided in 49
37 CFR § 173.5(a). The transportation of an agricultural product to or from a farm within 150
38 miles of the farm by a farmer operating as an intrastate private motor carrier is exempt from the
39 requirements of Subparts G and H of Part 172 of 49 CFR as provided in 49 CFR § 173.5(b).

40 (c) For purposes of 49 C.F.R. § 395.1(k) and any other federal law or regulation
41 relating to hours-of-service rules for drivers engaged in the transportation of agricultural
42 commodities and farm supplies for agricultural purposes, the terms "planting and harvesting
43 season" and "planting and harvesting period" refer to the period from January 1 through
44 December 31 of each year.

45 (d) The definitions set out in 49 C.F.R. § 390.5 apply to this subsection. A covered farm
46 vehicle engaged in intrastate commerce is exempt from the requirements of 49 C.F.R. §
47 390.21."

48 **SECTION 17.1.(a)** Rule. – Until the effective date of the revised permanent rule
49 that the State Highway Patrol is required to adopt pursuant to subsection (c) of this section, the
50 State Highway Patrol shall implement 14B NCAC 07C .0101 (Safety of Operation and
51 Equipment) as provided in subsection (b) of this section.

1 **SECTION 17.1.(b)** Implementation. – Notwithstanding 14B NCAC 07C .0101, the
2 State Highway Patrol shall exempt covered farm vehicles engaged in intrastate commerce from
3 the requirements of 49 C.F.R. § 390.21.

4 **SECTION 17.1.(c)** Additional Rule-Making Authority. – The State Highway
5 Patrol shall adopt rules to amend 14B NCAC 07C .0101, consistent with subsection (b) of this
6 section.

7 **SECTION 17.1.(d)** Effective Date. – Subsection (b) of this section expires on the
8 date that rules adopted pursuant to subsection (c) of this section become effective. The
9 remainder of this section is effective when it becomes law.

10 11 **DISQUALIFY CERTAIN PROPERTY FROM THE PRESENT-USE VALUE** 12 **CLASSIFICATION**

13 **SECTION 18.(a)** G.S. 105-277.4(c) reads as rewritten:

14 "(c) Deferred Taxes. – Land meeting the conditions for classification under
15 G.S. 105-277.3 must be taxed on the basis of the value of the land for its present use. The
16 difference between the taxes due on the present-use basis and the taxes that would have been
17 payable in the absence of this classification, together with any interest, penalties, or costs that
18 may accrue thereon, are a lien on the real property of the taxpayer as provided in
19 G.S. 105-355(a). The difference in taxes must be carried forward in the records of the taxing
20 unit or units as deferred taxes. The deferred taxes for the preceding three fiscal years are due
21 and payable in accordance with G.S. 105-277.1F when the property loses its eligibility for
22 deferral as a result of a disqualifying event. A disqualifying event occurs when ~~the land fails to~~
23 ~~meet any condition or requirement for classification or when an application is not approved.~~any
24 one or more of the following conditions are met:

25 (1) The land fails to meet any condition or requirement for classification.

26 (2) An application is not approved.

27 (3) A solar energy electric system receiving the exclusion under
28 G.S. 105-275(45) is located on the land, and the energy generated by the
29 system is not solely used by the owner for the benefit of the land."

30 **SECTION 18.(b)** This section is effective for taxes imposed for taxable years
31 beginning on or after July 1, 2017.

32 33 **AUTHORIZE WINE SALES AT FARMERS MARKETS**

34 **SECTION 19.** G.S. 18B-1114.1 reads as rewritten:

35 "**§ 18B-1114.1. Authorization of winery special event permit.**

36 (a) Authorization. – The holder of an unfortified winery permit, a limited winery
37 permit, a viticulture/enology course authorization, or a wine producer permit may obtain a
38 winery special permit allowing the winery or wine producer to give free tastings of its wine,
39 and to sell its wine by the glass or in closed containers, at trade shows, conventions, shopping
40 malls, wine festivals, street festivals, holiday festivals, agricultural festivals, farmers markets,
41 balloon races, local fund-raisers, and other similar events approved by the Commission.

42 (b) Limitation. – A winery special event permit is valid only in a jurisdiction that has
43 approved the establishment of ABC stores or has approved the sale of unfortified wine."

44 **SECTION 20.(a)** G.S. 105-164.13E reads as rewritten:

45 "**§ 105-164.13E. Exemption for farmers.**

46 (a) Exemption. – A qualifying farmer is a person who has an annual income from
47 farming operations for the preceding taxable year of ten thousand dollars (\$10,000) or more or
48 who has an average annual income from farming operations for the three preceding taxable
49 years of ten thousand dollars (\$10,000) or more. For purposes of this section, the term "income
50 from farming operations" means sales plus any other amounts treated as gross income under the
51 Code from farming operations. A qualifying farmer includes a dairy operator, a poultry farmer,

1 an egg producer, a livestock farmer, a farmer of crops, and a farmer of an aquatic species, as
2 defined in G.S. 106-758. A qualifying farmer may apply to the Secretary for an exemption
3 certificate number under G.S. 105-164.28A. The exemption certificate expires when a person
4 fails to meet the income threshold for three consecutive taxable years or ceases to engage in
5 farming operations, whichever comes first.

6 The following tangible personal property, digital property, and services are exempt from
7 sales and use tax if purchased by a qualifying farmer and for use by the farmer in farming
8 operations. For purposes of this section, an item is used by a farmer for farming operations if it
9 is used for the planting, cultivating, harvesting, or curing of farm crops or in the production of
10 dairy products, eggs, or animals:

- 11 (1) Fuel, piped natural gas, and electricity that are measured by a separate meter
12 or another separate device and used for a purpose other than preparing food,
13 heating dwellings, and other household purposes.
- 14 (2) Commercial fertilizer, lime, land plaster, plastic mulch, plant bed covers,
15 potting soil, baler twine, and seeds.
- 16 (3) Farm machinery, attachment and repair parts for farm machinery, and
17 lubricants applied to farm machinery. The term "machinery" includes
18 implements that have moving parts or are operated or drawn by an animal.
19 The term does not include implements operated wholly by hand or motor
20 vehicles required to be registered under Chapter 20 of the General Statutes.
- 21 (4) A container used in the planting, cultivating, harvesting, or curing of farm
22 crops or in the production of dairy products, eggs, or animals or used in
23 packaging and transporting the farmer's product for sale.
- 24 (5) A grain, feed, or soybean storage facility and parts and accessories attached
25 to the facility.
- 26 (6) Any of the following substances when purchased for use on animals or
27 plants, as appropriate, held or produced for commercial purposes. This
28 exemption does not apply to any equipment or devices used to administer,
29 release, apply, or otherwise dispense these substances:
 - 30 a. Remedies, vaccines, medications, litter materials, and feeds for
31 animals.
 - 32 b. Rodenticides, insecticides, herbicides, fungicides, and pesticides.
 - 33 c. Defoliant for use on cotton or other crops.
 - 34 d. Plant growth inhibitors, regulators, or stimulators, including systemic
35 and contact or other sucker control agents for tobacco and other
36 crops.
 - 37 e. Semen.
- 38 (7) Baby chicks and poults sold for commercial poultry or egg production.
- 39 (8) Any of the following items concerning the housing, raising, or feeding of
40 animals:
 - 41 a. A commercially manufactured facility to be used for commercial
42 purposes for housing, raising, or feeding animals or for housing
43 equipment necessary for these commercial activities. The exemption
44 also applies to commercially manufactured equipment, and parts and
45 accessories for the equipment, used in the facility.
 - 46 b. Building materials, supplies, fixtures, and equipment that become a
47 part of and are used in the construction, repair, or improvement of an
48 enclosure or a structure specifically designed, constructed, and used
49 for housing, raising, or feeding animals or for housing equipment
50 necessary for one of these commercial activities. The exemption also

1 applies to commercially manufactured equipment, and parts and
2 accessories for the equipment, used in the enclosure or a structure.

3 (9) A bulk tobacco barn or rack, parts and accessories attached to the tobacco
4 barn or rack, and any similar apparatus, part, or accessory used to cure or dry
5 tobacco or another crop.

6 (10) Repair, maintenance, and installation services.

7 (b) Conditional Exemption. – A person who does not meet the definition of a qualifying
8 farmer in subsection (a) of this section may apply to the Department for a conditional
9 exemption certificate under G.S. 105-164.28A. A person with a conditional exemption
10 certificate is allowed to purchase items exempt from sales and use tax to the same extent as a
11 qualifying farmer under subsection (a) of this section. To receive a conditional exemption
12 certificate under this subsection, the person must certify that the person intends to engage in
13 farming operations, as that term is described in subsection (a) of this section, and that the
14 person will timely file State and federal income tax returns that reflect income and expenses
15 incurred from farming operations during the taxable years that the conditional exemption
16 certificate applies.

17 A conditional exemption certificate issued under this subsection is valid for the taxable year
18 in which the certificate is issued and the following two taxable years, provided the person to
19 whom the certificate is issued is engaged in farming and provides copies of applicable State
20 and federal income tax returns to the Department within 90 days following the due date of an
21 income tax return for each taxable year covered by the conditional exemption certificate,
22 including an extension of the due date granted by the Secretary under G.S. 105-263. A
23 conditional exemption certificate issued under this subsection may not be extended or renewed
24 beyond the original three-year ~~period~~; provided that a person may request a one-year
25 extension of their conditional exemption certificate if the person satisfies all of the following
26 conditions.

27 (1) The person holds a conditional exemption certificate that is scheduled to
28 expire within 30 days of an extension request.

29 (2) The person suffers a weather-related disaster that prevents the person from
30 becoming eligible for a qualifying exemption certificate.

31 (3) The person provides the Department all of the following:

32 a. Documents showing that, but for the disaster, the person would have
33 earned ten thousand (\$10,000) or more in gross sales for the year in
34 which the disaster occurred.

35 b. Documentation of revenues and expenses relating to the damaged
36 crop.

37 c. An affidavit from a county extension director or FSA county
38 committee that the disaster occurred in the area of the county in
39 which the person farms.

40 The Department may not issue a conditional exemption certificate to a person who has had
41 a conditional exemption certificate issued under this subsection during the prior 15 taxable
42 years.

43 A person who purchases items with a conditional exemption certificate must maintain
44 documentation of the items purchased and copies of State and federal income tax returns that
45 reflect activities from farming operations for the period of time covered by the conditional
46 exemption certificate for three years following the expiration of the conditional exemption
47 certificate. The Secretary may require a person who has a conditional exemption certificate to
48 provide any other information requested by the Secretary to verify the person met the
49 conditions of this subsection. A person who fails to provide the information requested by the
50 Secretary in a timely manner or who fails to meet the requirements of this subsection becomes
51 liable for any taxes for which an exemption under this subsection was claimed. The taxes

1 become due and payable at the expiration of the conditional exemption certificate, and interest
2 accrues from the date of the original purchase. Additionally, where the person does not timely
3 provide the information requested by the Secretary, the misuse of exemption certificate penalty
4 in G.S. 105-236(a)(5a) applies to each seller identified by the Department from which the
5 person made a purchase.

6 (c) Contract with a Farmer. – A qualifying item listed in subdivisions (5), (8), and (9) of
7 subsection (a) of this section purchased to fulfill a contract with a person who holds a
8 qualifying farmer exemption certificate or a conditional farmer exemption certificate issued
9 under G.S. 105-164.28A is exempt from sales and use tax to the same extent as if purchased
10 directly by the person who holds the exemption certificate. A contractor that purchases one of
11 the items allowed an exemption under this section must provide an exemption certificate to the
12 retailer that includes the name of the qualifying farmer or conditional farmer exemption
13 certificate holder and the qualifying farmer or conditional farmer exemption certificate number
14 issued to that holder.

15 (d) Definition. – For purposes of this section, the term "taxable year" has the same
16 meaning as defined in G.S. 105-153.3."

17 **SECTION 20.(b)** This section is effective for taxes imposed for taxable years
18 beginning on or after July 1, 2017.

19
20 **SEVERABILITY/EFFECTIVE DATE**

21 **SECTION 21.** If any provision of this act or the application thereof to any person
22 or circumstances is held invalid, such invalidity shall not affect other provisions or applications
23 of this act which can be given effect without the invalid provision or application, and, to this
24 end, the provisions of this act are declared to be severable.

25 **SECTION 22.** Except as otherwise provided, this act is effective when it becomes
26 law.