

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H.B. 1201
May 26, 2020
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH50111-MHa-190A

Short Title: Local Meat Processors Grant Program.

(Public)

Sponsors: Representative Elmore.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FUNDING FOR GRANTS TO SMALL AND INDEPENDENT MEAT
3 PROCESSORS TO ALLEVIATE NEGATIVE FOOD SUPPLY CHAIN IMPACTS DUE
4 TO THE COVID-19 PANDEMIC.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Findings. – The General Assembly finds that the COVID-19
7 emergency has resulted in serious and substantial impacts on the food supply chain. In particular,
8 small livestock producers in the State have found that bottlenecks and lack of capacity among
9 the small and independent meat processors who serve small livestock producers due to
10 COVID-19 related slowdowns and capacity reductions have had a substantial negative impact on
11 their ability to have their animals slaughtered and processed. The General Assembly further finds
12 that financial assistance to these processors is necessary in order to reduce disruptions in the
13 supply chain for fresh meat and to help small producers get their product to market.

14 **SECTION 2.(a)** Transfer of Funds from Reserves to Relief Fund. – The State
15 Controller shall transfer the sum of twenty-five million dollars (\$25,000,000) for the 2019-2020
16 fiscal year from the Coronavirus Relief Reserve established in Section 2.1 of S.L. 2020-4 to the
17 Coronavirus Relief Fund established in Section 2.2 of S.L. 2020-4.

18 **SECTION 2.(b)** Appropriation of Funds from Relief Fund. – There is appropriated
19 from the Fund to the Department of Agriculture and Consumer Services the sum of twenty-five
20 million dollars (\$25,000,000) in nonrecurring funds for the 2019-2020 fiscal year to be allocated
21 and used as provided in Section 3 of this act. The funds appropriated in this section shall not
22 revert at the end of the 2019-2020 fiscal year but shall remain available to expend until December
23 30, 2020.

24 **SECTION 3.** Allocation of Funds. – The funds appropriated by Section 2 of this act
25 shall be allocated to the North Carolina Department of Agriculture and Consumer Services
26 (Department) to provide grants to certain meat processing facilities as specified in this section
27 that are experiencing slowdowns in production or have limited capacity to accommodate
28 increased demand for meat processing due to the COVID-19 pandemic. These funds may only
29 be used for purposes consistent with the April 22, 2020, "Coronavirus Relief Fund Guidance for
30 State, Territorial, Local, and Tribal Governments" provided by the United States Department of
31 the Treasury or with any subsequent act of Congress. The Department shall develop policies and
32 procedures for the disbursement of grants that includes, at a minimum, the following:

- 33 (1) Grant eligibility shall be limited to meat processing plants that meet both of
34 the following requirements:
35 a. The plant contracts with independent livestock producers to process
36 animals owned by the producers.



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1 b. The United States Department of Agriculture contracts with
2 Department inspectors to conduct federal inspection activities
3 authorized by the Talmadge-Aiken Act of 1962 (7 U.S.C. § 1633) at
4 the plant, or the plant is a State-inspected facility.

5 (2) Grants shall be used only for facility expansion, fixtures, on-site job training,
6 or equipment that will expand animal throughput, processing capacity, the
7 amount or type of products produced, or processing speed.

8 (3) The Department may prioritize projects that will create additional jobs at the
9 facility.

10 (4) The Department may set grant maximums and appropriate and uniform
11 matching requirements to maximize the number of facilities receiving
12 assistance and the removal of meat supply chain limitations.

13 **SECTION 4.** Report. – The Department shall report to the Joint Legislative
14 Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal
15 Research Division by October 1, 2020, on its distribution of the funds appropriated by this act
16 and by February 1, 2021, on the use of funds by recipients.

17 **SECTION 5.** Grant-Supported Property Transferred or Removed from Service. – As
18 used in this section, the term "disposed of" means disposed of, taken out of service, or moved out
19 of State. If fixtures or equipment purchased with funds provided by this act is disposed of during
20 a period of time as the Department may specify following the date the fixtures or equipment
21 funded by this act is placed in service, the grant recipient shall repay to the Department a
22 proportionate share of the grant funding received as the Department may specify.

23 Funds received by the Department under this section shall be transferred to the Office
24 of State Budget and Management (OSBM) and OSBM shall transfer the amount of the disallowed
25 allocation to the Reserve established in Section 2.1 of S.L. 2020-4. Amounts transferred into the
26 Coronavirus Relief Reserve pursuant to this section are receipts that do not constitute an
27 "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North
28 Carolina Constitution.

29 **SECTION 6.** Conflict with Federal Law. – If an allocation made under this act is
30 found to be disallowed by federal law, then Section 2 of this act is repealed, and the Department
31 shall transfer the disallowed allocation to the Office of State Budget and Management (OSBM)
32 and OSBM shall transfer the amount of the disallowed allocation to the Reserve established in
33 Section 2.1 of S.L. 2020-4. Amounts transferred into the Coronavirus Relief Reserve pursuant to
34 this section are receipts that do not constitute an "appropriation made by law," as that phrase is
35 used in Section 7(1) of Article V of the North Carolina Constitution.

36 **SECTION 7.** This act is effective when it becomes law.