

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 315

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Short Title: North Carolina Farm Act of 2019-20.

(Public)

Sponsors:

Referred to:

March 21, 2019

A BILL TO BE ENTITLED

AN ACT TO MAKE VARIOUS CHANGES TO THE AGRICULTURAL LAWS OF THE STATE.

The General Assembly of North Carolina enacts:

REQUIRE UTILITY COMPANIES TO DISPOSE OF CERTAIN UNUSED EASEMENTS UNDER CERTAIN CIRCUMSTANCES, AS RECOMMENDED BY THE AGRICULTURE AND FORESTRY AWARENESS STUDY COMMISSION

SECTION 1.(a) Article 9 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"§ 62-193. Disposition of certain unused easements.

(a) The underlying fee owner of land encumbered by any easement acquired by a utility company, whether acquired by purchase or by condemnation, on which construction has not been commenced by the utility company for the purpose for which the easement was acquired within 20 years of the date of acquisition, may file a complaint with the Commission for an order requiring the utility company to terminate the easement in exchange for payment by the underlying fee owner of the current fair market value of the easement.

(b) Upon receipt of the complaint, the Commission shall serve a copy of the complaint on each utility company named in the complaint, together with an order directing that the utility company file an answer to the complaint within 90 days after service.

(c) If the utility company agrees to terminate the easement, the utility company shall submit to the Commission, within the time allowed for answer, an original plus four copies of a statement of the utility company's agreement to terminate the easement.

(d) If the utility company does not agree that the easement should be terminated, the utility company may request a determination from the Commission as to whether the easement is necessary or advisable for the utility company's long-range needs for the provision of utilities to serve its service area, and whether termination of the easement would be contrary to the



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1 interests of the using and consuming public. The Commission may conduct a hearing on the
2 matter, which shall be conducted in accordance with Article 4 of this Chapter. Either party may
3 appeal the Commission's decision in accordance with Article 5 of this Chapter. The burden of
4 proof shall be on the utility company to show that the easement is necessary or advisable for the
5 utility company's long-range needs for the provision of utilities to serve its service area and that
6 termination of the easement would be contrary to the interests of the using and consuming public.

7 (e) If the underlying fee owner and the utility company cannot reach a mutually agreed
8 upon fair market value of the easement, whether terminated voluntarily or by order of the
9 Commission, the Commission shall make a request to the clerk of superior court in the county
10 where the easement is located for the appointment of commissioners to determine the fair market
11 value of the easement in accordance with the process set forth in G.S. 40A-48.

12 (f) If the Commission decides that the easement should not be terminated, the underlying
13 fee owner may not file a complaint with the Commission under this section regarding the same
14 easement for a period of five years from the date of the decision.

15 (g) For purposes of this section, the term "utility company" means a public utility as
16 defined in G.S. 62-3(23), a municipality providing utility services, an authority organized under
17 the North Carolina Water and Sewer Authorities Act, a sanitary district, a metropolitan water
18 district, a metropolitan sewerage district, a metropolitan water and sewerage district, a county
19 water and sewer district, or an electric or telephone membership corporation."

20 **SECTION 1.(b)** This section becomes effective October 1, 2020, and applies to
21 easements acquired on or after that date.

22

23 **RIGHT-OF-WAY FOR LEFT-TURNING FARM EQUIPMENT**

24 **SECTION 2.(a)** G.S. 20-150 is amended by adding a new subsection to read:

25 "(e1) The driver of a vehicle shall not overtake and pass self-propelled farm equipment
26 proceeding in the same direction when the farm equipment is (i) making a left turn or (ii)
27 signaling that it intends to make a left turn."

28 **SECTION 2.(b)** This section becomes effective December 1, 2020, and applies to
29 offenses committed on or after that date.

30

31 **EXPAND AGRICULTURAL OUTDOOR ADVERTISING**

32 **SECTION 3.** G.S. 136-129 reads as rewritten:

33 "**§ 136-129. Limitations of outdoor advertising devices.**

34 No outdoor advertising shall be erected or maintained within 660 feet of the nearest edge of
35 the right-of-way of the interstate or primary highway systems in this State so as to be visible from
36 the main-traveled way thereof after the effective date of this Article as determined by
37 G.S. 136-140, except the following:

38 ...

39 (2a) ~~Outdoor advertising which advertises the sale of any fruit or vegetable crop~~
40 ~~by the grower at a roadside stand or by having the purchaser pick the crop on~~
41 ~~the property on which the crop is grown provided: (i) to promote a bona fide~~
42 ~~farm that is exempt from zoning regulations pursuant to G.S. 153-340(b),~~
43 ~~provided the sign is no more than two-three feet long on any side; (ii) side and~~
44 ~~the sign is located on property owned or leased by the grower where the crop~~
45 ~~is grown; (iii) the grower is also the seller; and (iv) the sign is kept in place by~~
46 ~~the grower for no more than 30 days.~~ any bona fide farm property owned or
47 leased by the owner or lessee of the bona fide farm.

48"

49

50 **AGRICULTURE AND FORESTRY AWARENESS STUDY COMMISSION COCHAIR**

51 **HOLDOVER**

1 **SECTION 4.** G.S. 120-150 reads as rewritten:

2 "**§ 120-150. Creation; appointment of members.**

3 (a) There is created an Agriculture and Forestry Awareness Study Commission. Members
4 of the Commission shall be citizens of North Carolina who are interested in the vitality of the
5 agriculture and forestry sectors of the State's economy. Members shall be as follows:

- 6 (1) Three appointed by the Governor.
- 7 (2) Three appointed by the President Pro Tempore of the Senate.
- 8 (3) Three appointed by the Speaker of the House.
- 9 (4) The chairs of the House Agriculture Committee.
- 10 (5) The chairs of the Senate Committee on Agriculture, Environment, and Natural
11 Resources.
- 12 (6) The Commissioner of Agriculture or the Commissioner's designee.
- 13 (7) A member of the Board of Agriculture designated by the chair of the Board of
14 Agriculture.
- 15 (8) The President of the North Carolina Farm Bureau Federation, Inc., or the
16 President's designee.
- 17 (9) The President of the North Carolina State Grange or the President's designee.
- 18 (10) The Secretary of Environmental Quality or the Secretary's designee.
- 19 (11) The President of the North Carolina Forestry Association, Inc., or the
20 President's designee.

21 (b) Members shall be appointed for two-year terms beginning October 1 of each
22 odd-numbered year. The Chairs of the House Agriculture Committee and the Chairs of the Senate
23 Committee on Agriculture, Environment, and Natural Resources shall serve as cochairs. The
24 President Pro Tempore of the Senate and the Speaker of the House of Representatives may each
25 appoint an additional member of the Senate and House, respectively, to serve as cochair. If
26 appointed, these cochairs shall be voting members of the Commission. A quorum of the
27 Commission is nine members.

28 (c) Cochairs' terms on the Commission are for two years and begin on the convening of
29 the General Assembly in each odd-numbered year. Except as otherwise provided in this
30 subsection, a cochair of the Commission shall continue to serve for so long as the cochair remains
31 a member of the General Assembly and no successor has been appointed. A cochair of the
32 Commission who does not seek reelection or is not reelected to the General Assembly may
33 complete a term of service on the Commission until the day on which a new General Assembly
34 convenes. A member of the Commission who resigns or is removed from service in the General
35 Assembly shall be deemed to have resigned or been removed from service on the Commission."

36
37 **ADD HUNTING, FISHING, AND EQUESTRIAN ACTIVITIES TO THE DEFINITION**
38 **OF AGRITOURISM, AND LIMIT REGULATION OF CATERING BY BONA FIDE**
39 **FARMS**

40 **SECTION 5.(a)** G.S. 99E-30 reads as rewritten:

41 "**§ 99E-30. Definitions.**

42 As used in this Article, the following terms mean:

- 43 (1) Agritourism activity. – Any activity carried out on a farm or ranch that allows
44 members of the general public, for recreational, entertainment, or educational
45 purposes, to view or enjoy rural activities, including farming, ranching,
46 historic, cultural, harvest-your-own activities, hunting, fishing, equestrian
47 activities, or natural activities and attractions. An activity is an agritourism
48 activity whether or not the participant paid to participate in the activity.
49 "Agritourism activity" includes an activity involving any animal exhibition at
50 an agricultural fair licensed by the Commissioner of Agriculture pursuant to
51 G.S. 106-520.3.

- 1 (2) Agritourism professional. – Any person who is engaged in the business of
2 providing one or more agritourism activities, whether or not for compensation.
3 (3) Inherent risks of agritourism activity. – Those dangers or conditions that are
4 an integral part of an agritourism activity including certain hazards, including
5 surface and subsurface conditions, natural conditions of land, vegetation, and
6 waters, the behavior of wild or domestic animals, and ordinary dangers of
7 structures or equipment ordinarily used in farming and ranching operations.
8 Inherent risks of agritourism activity also include the potential of a participant
9 to act in a negligent manner that may contribute to injury to the participant or
10 others, including failing to follow instructions given by the agritourism
11 professional or failing to exercise reasonable caution while engaging in the
12 agritourism activity.
13 (4) Participant. – Any person, other than the agritourism professional, who
14 engages in an agritourism activity.
15 (5) Person. – An individual, fiduciary, firm, association, partnership, limited
16 liability company, corporation, unit of government, or any other group acting
17 as a unit."

18 **SECTION 5.(b)** G.S. 153A-340(b)(2a) reads as rewritten:

19 "(2a) A building or structure that is used for agritourism is a bona fide farm purpose
20 if the building or structure is located on a property that (i) is owned by a person
21 who holds a qualifying farmer sales tax exemption certificate from the
22 Department of Revenue pursuant to G.S. 105-164.13E(a) or (ii) is enrolled in
23 the present-use value program pursuant to G.S. 105-277.3. Failure to maintain
24 the requirements of this subsection for a period of three years after the date
25 the building or structure was originally classified as a bona fide purpose
26 pursuant to this subdivision shall subject the building or structure to applicable
27 zoning and development regulation ordinances adopted by a county pursuant
28 to subsection (a) of this section in effect on the date the property no longer
29 meets the requirements of this subsection. For purposes of this section,
30 "agritourism" means any activity carried out on a farm or ranch that allows
31 members of the general public, for recreational, entertainment, or educational
32 purposes, to view or enjoy rural activities, including farming, ranching,
33 historic, cultural, harvest-your-own activities, hunting, fishing, equestrian
34 activities, or natural activities and attractions. A building or structure used for
35 agritourism includes any building or structure used for public or private
36 events, including, but not limited to, weddings, receptions, meetings,
37 demonstrations of farm activities, meals, and other events that are taking place
38 on the farm because of its farm or rural setting."

39 **SECTION 5.(c)** Article 6 of Chapter 153A of the General Statutes is amended by
40 adding a new section to read:

41 **"§ 153A-145.8. Limitations on regulation of catering by bona fide farms.**

42 Notwithstanding any other provision of law, no county may require a business located on a
43 property used for bona fide farm purposes, as provided in G.S. 153A-340(b), that provides
44 on- and off-site catering services, to obtain a permit to provide catering services within the
45 county. This section shall not be construed to exempt the business from any health and safety
46 rules adopted by a local health department, the Department of Health and Human Services, or
47 the Commission for Public Health."

48 **SECTION 5.(d)** Article 8 of Chapter 160A of the General Statutes is amended by
49 adding a new section to read:

50 **"§ 160A-203.2. Limitations on regulation of catering by bona fide farms.**

1 Notwithstanding any other provision of law, no city may require a business located on a
2 property used for bona fide farm purposes, as provided in G.S. 153A-340(b), that provides
3 on- and off-site catering services, to obtain a permit to provide catering services within the city.
4 This section shall not be construed to exempt the business from any health and safety rules
5 adopted by a local health department, the Department of Health and Human Services, or the
6 Commission for Public Health."

7 **SECTION 5.(e)** This section is effective when it becomes law. Subsections (a) and
8 (b) of this section shall not be construed to affect any existing agreement or settlement with a
9 local government, any permit or zoning decision previously issued by a local government, or any
10 pending or ongoing litigation.

11
12 **ENACT THE NORTH CAROLINA SWEETPOTATO ACT FOR THE PROMOTION OF**
13 **NORTH CAROLINA SWEETPOTATOES**

14 **SECTION 6.** Chapter 106 of the General Statutes is amended by adding a new
15 Article to read:

16 "Article 87.

17 "North Carolina Sweetpotato Act.

18 **"§ 106-1065. Title.**

19 This Article shall be known and may be cited as the "North Carolina Sweetpotato Act of
20 2020.

21 **"§ 106-1066. Definitions.**

22 As used in this Article:

- 23 (1) "Commissioner" means the Commissioner of the Department of Agriculture
24 and Consumer Services.
25 (2) "Department" means the Department of Agriculture and Consumer Services.
26 (3) "Person" means an individual, partnership, corporation, association, or any
27 other legal entity.
28 (4) "North Carolina Sweetpotato Advisory Council" means the advisory council
29 established pursuant to G.S. 106-1070.

30 **"§ 106-1067. North Carolina sweetpotato brand.**

31 Only sweetpotatoes that are grown in the State of North Carolina may be identified, classified,
32 packaged, labeled, or otherwise designated for sale inside or outside the State as North Carolina
33 sweetpotatoes.

34 **"§ 106-1068. Powers of Commissioner to regulate and promote North Carolina**
35 **sweetpotatoes.**

36 (a) The Commissioner of Agriculture may take all actions necessary and appropriate to
37 create, register, license, promote, and protect a trademark for use on or in connection with the
38 sale or promotion of North Carolina sweetpotatoes and products containing North Carolina
39 sweetpotatoes. The Commissioner may impose and collect a reasonable royalty or license fee per
40 hundredweight of sweetpotatoes for the use of such trademark on products containing North
41 Carolina sweetpotatoes or the packaging containing such sweetpotato products. The
42 Commissioner shall determine the fee in consultation with representatives of the sweetpotato
43 industry and the Marketing Division of the Department of Agriculture and Consumer Services.
44 The Commissioner shall remit all royalties and license fees received from this Article, less any
45 costs associated with monitoring the use of the trademark, prohibiting the unlawful or
46 unauthorized use of the trademark, and enforcing rights in the trademark, to the North Carolina
47 SweetPotato Commission for the promotion of North Carolina sweetpotatoes.

48 (b) The Board of Agriculture may adopt rules that may include, but are not limited to,
49 quality standards, grades, packing, handling, labeling, and marketing practices for the marketing
50 of sweetpotatoes in this State, and such other rules as are necessary to administer this Article.
51 The Board of Agriculture may also adopt rules establishing a registration, inspection, and

1 verification program for the production and marketing of North Carolina sweetpotatoes in this
 2 State. All North Carolina sweetpotatoes sold shall conform to the prescribed standards and grades
 3 and shall be labeled accordingly.

4 (c) The Commissioner and the Commissioner's agents and employees may enter any
 5 premises or other property where sweetpotatoes are produced, stored, sold, offered for sale,
 6 packaged for sale, transported, or delivered to inspect the sweetpotatoes for the purpose of
 7 enforcing the provisions of this Article and the rules adopted under this Article.

8 **"§ 106-1069. Standards for grades.**

9 The most recent standards for grades adopted by the United States Department of Agriculture,
 10 Agricultural Marketing Service, United States Standards for Grades of Sweet Potatoes are
 11 adopted by reference and shall be the standards for grades in this State, except that the
 12 Commissioner may establish tolerances or allowable percentages of United States standards each
 13 season upon the recommendation of the North Carolina Sweetpotato Advisory Council.

14 **"§ 106-1070. North Carolina Sweetpotato Advisory Council.**

15 The Commissioner shall appoint a North Carolina Sweetpotato Advisory Council, to consist
 16 of individuals involved in growing, packing, or growing and packing North Carolina
 17 sweetpotatoes; at least one sweetpotato processor; at least one sweetpotato retailer; at least one
 18 county cooperative extension agent familiar with the production of North Carolina
 19 sweetpotatoes; and any other person or persons selected by the Commissioner, for the purpose
 20 of rendering advice upon his or her request regarding the exercise of the Commissioner's
 21 authority pursuant to G.S. 106-1068. Members of the North Carolina Sweetpotato Advisory
 22 Council shall receive no compensation for their service."

23
 24 **SOIL AND WATER CONSERVATION JOB APPROVAL AUTHORITY**

25 **SECTION 7.(a)** G.S. 89C-25 reads as rewritten:

26 **"§ 89C-25. Limitations on application of Chapter.**

27 This Chapter shall not prevent the following activities:

28 ...

- 29 (6) Practice by members of the Armed Forces of the United States; employees of
 30 the government of the United States while engaged in the practice of
 31 engineering or land surveying solely for the government on
 32 government-owned works and projects; or practice by those employees of the
 33 Natural Resources Conservation Service, county employees, ~~or~~ employees of the
 34 Soil and Water Conservation ~~Districts~~-Districts, or employees of the
 35 Division of Soil and Water Conservation of the Department of Agriculture
 36 and Consumer Services who have federal-engineering job approval authority
 37 issued by the Natural Resources Conservation Service or the Soil and Water
 38 Conservation Commission that involves the planning, designing, or
 39 implementation of best management practices on agricultural lands-lands, or
 40 for the planning, designing, or implementation of best management practices
 41 approved for cost-share funding pursuant to programs identified in
 42 G.S. 139-4(d)(9).

43"

44 **SECTION 7.(b)** G.S. 139-3 is amended by adding a new subdivision to read:

45 "(19) "Job approval authority" means the authority granted by the Commission to
 46 Soil and Water Conservation District staff or employees of the Division of
 47 Soil and Water Conservation of the Department of Agriculture and Consumer
 48 Services who have demonstrated the appropriate knowledge, skill, and ability
 49 to plan, design, and certify the installation of best management practices
 50 approved for cost-share funding pursuant to programs identified in
 51 G.S. 139-4(d)(9)."

1 **SECTION 7.(c)** G.S. 139-4 reads as rewritten:

2 "**§ 139-4. Powers and duties of Soil and Water Conservation Commission generally.**

3 (a) through (c) Repealed by Session Laws 1973, c. 1262, s. 38.

4 (d) In addition to the duties and powers hereinafter conferred upon the Soil and Water
5 Conservation Commission, it shall have the following duties and powers:

6 ...

7 (14) To develop and implement a program for granting job approval authority to
8 Soil and Water Conservation District staff and employees of the Division of
9 Soil and Water Conservation of the Department of Agriculture and Consumer
10 Services to plan, design, and certify the installation of best management
11 practices approved for cost-share funding pursuant to programs identified in
12 G.S. 139-4(d)(9).

13 "

15 **PRESENT-USE VALUE DISQUALIFICATION EVENT NOTIFICATION**

16 **SECTION 8.** G.S. 105-277.4 reads as rewritten:

17 "**§ 105-277.4. Agricultural, horticultural and forestland – Application; appraisal at use**
18 **value; notice and appeal; deferred taxes.**

19 ...

20 (b1) Notice and Appeal. – If the assessor determines that the property loses its eligibility
21 for present-use value classification for a reason other than failure to file a timely application
22 required due to transfer of the land, the assessor shall provide written notice of the decision as
23 required by G.S. 105-296(i). The notice shall include the property's tax identification number,
24 the specific reason for the disqualification, and the date of the decision. Decisions of the assessor
25 regarding the qualification or appraisal of property under this section may be appealed to the
26 county board of equalization and review or, if that board is not in session, to the board of county
27 commissioners. An appeal must be made within 60 days after date of the written notice of the
28 decision of the assessor. If an owner submits additional information to the assessor pursuant to
29 G.S. 105-296(j), the appeal must be made within 60 days after the assessor's decision based on
30 the additional information. Decisions of the county board may be appealed to the Property Tax
31 Commission.

32 A new appeal to a decision of the assessor regarding the disqualification of property for which
33 notice was received is not required to be submitted for subsequent tax years while the appeal of
34 that disqualifying event is outstanding. When a property's present-use value classification is
35 reinstated upon appeal of the disqualifying event, it is reinstated retroactive to the date the
36 classification was revoked, as provided under G.S. 105-296(j).

37 If, while an assessor's decision that a property has lost its eligibility for present-use value
38 classification is under appeal to the county board or to the Property Tax Commission, the assessor
39 determines that the property is no longer eligible for present-use value classification because of
40 an additional disqualifying event independent of the one that is the basis of the disqualification
41 under appeal, the assessor shall follow the notice and appeal procedure set forth in this subsection
42 with regard to the subsequent disqualification.

43 "

45 **CHANGE NAME OF FOOD PROCESSING INNOVATION CENTER COMMITTEE**

46 **SECTION 9.(a)** Section 10.24(a) of S.L. 2017-57 reads as rewritten:

47 "**SECTION 10.24.(a)** There is created the ~~Food Processing Innovation Center~~ North
48 Carolina Food Innovation Lab Committee (Committee), which shall be located administratively
49 in the Department of Agriculture and Consumer Services. The Committee shall consist of 14
50 members, including:

51 "

1 **SECTION 9.(b)** Section 10.24(h) of S.L. 2017-57 reads as rewritten:
2 **"SECTION 10.24.(h)** This section expires January 1, ~~2025~~2021."

4 **SOIL AND WATER CONSERVATION CONFIDENTIALITY CHANGE**

5 **SECTION 10.(a)** Article 1 of Chapter 139 of the General Statutes is amended by
6 adding a new section to read:

7 **"§ 139-8.2. Certain information confidential.**

8 (a) All information that is collected by soil and water conservation districts from farm
9 owners, animal owners, agricultural producers or owners of agricultural land that is confidential
10 under federal or State law shall be held confidential by the soil and water conservation districts,
11 including:

- 12 (1) Information provided by an agricultural producer or owner of agricultural land
13 concerning the agricultural operation, farming or conservation practices, or
14 the land itself, in order to participate in soil and water conservation programs.
15 (2) Geospatial information otherwise maintained by the district about agricultural
16 lands or operations for which information described in subdivision (1) of this
17 subsection is provided.

18 (b) This section shall not include applications for cost-share assistance and associated
19 contract documents that require the approval of the soil and water conservation district or the
20 Soil and Water Conservation Commission."

21 **SECTION 10.(b)** This section becomes effective October 1, 2020.

23 **CLARIFY PERMITTING FOR CERTAIN SWINE FARM MODIFICATIONS**

24 **SECTION 11.** G.S. 143-215.10I reads as rewritten:

25 **"§ 143-215.10I. Performance standards for animal waste management systems that serve**
26 **swine farms; lagoon and sprayfield systems prohibited.**

27 (a) As used in this section:

- 28 (1) "Anaerobic lagoon" means a lagoon that treats waste by converting it into
29 carbon dioxide, methane, ammonia, and other gaseous compounds; organic
30 acids; and cell tissue through an anaerobic process.
31 (2) "Anaerobic process" means a biological treatment process that occurs in the
32 absence of dissolved oxygen.
33 (3) "Lagoon" has the same meaning as in G.S. 106-802.
34 (4) "Swine farm" has the same meaning as in G.S. 106-802.

35 (b) The Commission shall not issue or modify a permit to authorize the construction,
36 operation, or expansion of an animal waste management system that serves a swine farm that
37 employs an anaerobic lagoon as the primary method of treatment and land application of waste
38 by means of a sprayfield as the primary method of waste disposal. ~~The Commission may issue a~~
39 ~~permit for the construction, operation, or expansion of an animal waste management system that~~
40 ~~serves a swine farm under this Article only if the Commission determines that the animal waste~~
41 ~~management system will meet or exceed all of the following performance standards:~~
42 ~~disposal~~
unless:

- 43 (1) The permitting action does not result in an increase in the permitted capacity
44 of the swine farm, as measured by the annual steady state live weight capacity
45 of the swine farm; or
46 (2) The Commission determines that the animal waste management system will
47 meet or exceed all of the following performance standards:
48 ~~(1)~~a. Eliminate the discharge of animal waste to surface water and
49 groundwater through direct discharge, seepage, or runoff.
50 ~~(2)~~b. Substantially eliminate atmospheric emission of ammonia.

- 1 (3)c. Substantially eliminate the emission of odor that is detectable beyond
2 the boundaries of the parcel or tract of land on which the swine farm
3 is located.
4 (4)d. Substantially eliminate the release of disease-transmitting vectors and
5 airborne pathogens.
6 (5)e. Substantially eliminate nutrient and heavy metal contamination of soil
7 and groundwater."
8

9 PREVENT GRANT FUNDING DUPLICATION

10 **SECTION 12.(a)** G.S. 143-215.71 reads as rewritten:

11 "**§ 143-215.71. Purposes for which grants may be requested.**

12 (a) Applications for grants may be made for the nonfederal share of water resources
13 development projects for the following purposes in amounts not to exceed the percentage of the
14 nonfederal costs indicated:

15 ...

16 (8) Projects that are part of the Environmental Quality Incentives Program – one
17 hundred percent (100%).

18 (b) Notwithstanding subdivision (8) of subsection (a) of this section, projects that are part
19 of the Environmental Quality Incentives Program are ineligible for funding under this Part if they
20 receive funding from the Clean Water Management Trust Fund established in
21 G.S. 143B-135.234."

22 **SECTION 12.(b)** G.S. 143B-135.238(d) reads as rewritten:

23 "(d) Restriction. – No grant shall be awarded under this Part for any of the following
24 purposes:

25 (1) ~~to~~ To satisfy compensatory mitigation requirements under 33 USC § 1344 or
26 G.S. 143-214.11.

27 (2) To any project receiving State funds authorized by G.S. 143-215.71 for the
28 nonfederal share of a grant under the Environmental Quality Incentives
29 Program."

30 **SECTION 12.(c)** The Department of Environmental Quality and the Department of
31 Natural and Cultural Resources shall jointly report to the Joint Legislative Oversight Committee
32 on Agriculture and Natural and Economic Resources no later than September 30, 2020, regarding
33 funding overlaps between water resources development grant funding and Clean Water
34 Management Trust Fund grants for Environmental Quality Incentives Program funding for the
35 Western Stream Initiative and the efforts of both Departments to improve administration of State
36 grants for that program.
37

38 IMPROVE PERFORMANCE MANAGEMENT OF STATE GRANT FUNDS

39 **SECTION 13.(a)** The Department of Environmental Quality shall develop
40 performance management procedures for projects funded as part of the Western Stream Initiative.
41 These procedures shall include, at a minimum, the collection and reporting of the following
42 measures for all projects receiving grant funding:

43 (1) Time to issue and act upon grant applications.

44 (2) Time to process requests for payment.

45 (3) Cost per grant administered.

46 (4) Number of applicants reviewed, approved, and denied.

47 (5) Number of grants administered.

48 (6) Total grant dollars administered.

49 (7) Total project cost for each project, including all funding sources, broken out
50 into the following categories:

51 a. Permitting cost.

- 1 b. Site assessment, design, and engineering.
2 c. Management and engineering.
3 (8) Total linear feet of stream restored in each year.
4 (9) Cost per linear foot of restored stream.
5 (10) Reduction in sediment loading achieved.

6 **SECTION 13.(b)** The Department of Natural and Cultural Resources shall provide
7 to the Department of Environmental Quality all of the measures set forth in subsection (a) of this
8 section that are relevant to funding for the Western Stream Initiative provided by the Clean Water
9 Management Trust Fund.

10 **SECTION 13.(c)** G.S. 143-215.72(d) is amended by adding a new subdivision to
11 read:

12 "(3) The Department shall annually report no later than November 1 to the Joint
13 Legislative Oversight Committee on Agriculture and Natural and Economic
14 Resources and the Fiscal Research Division regarding grants for projects
15 funded through the Western Stream Initiative. The report shall include
16 measures of grant administration and grant implementation efficiency and
17 effectiveness. For purposes of this subdivision, the "Western Stream
18 Initiative" refers to the portion of federal Environmental Quality Incentives
19 Program funding provided to the Western North Carolina Stream Initiative for
20 the counties of Alexander, Alleghany, Ashe, Avery, Buncombe, Burke,
21 Caldwell, Catawba, Cherokee, Clay, Cleveland, Graham, Haywood,
22 Henderson, Iredell, Jackson, Lincoln, Macon, Madison, McDowell, Mitchell,
23 Polk, Rutherford, Stokes, Surry, Swain, Transylvania, Watauga, Wilkes,
24 Yadkin, and Yancey."

25 26 **AGRICULTURE AND FORESTRY AWARENESS DAIRY STUDY**

27 **SECTION 14.** The Agriculture and Forestry Awareness Study Commission shall
28 study policy options available to support the dairy industry in North Carolina, including, but not
29 limited to, the reestablishment of the North Carolina Milk Commission, the creation of a tax
30 credit for milk producers, the creation of a fund to make grants or loans to dairy operations for
31 infrastructure improvements, and the creation of a dairy promotion board or other marketing
32 program for North Carolina dairies within the Department of Agriculture and Consumer Services.
33 The Department of Agriculture and Consumer Services shall assist the Commission in the
34 conduct of the study as requested by the Commission. The Commission shall report its findings
35 and recommendations, including any legislative proposals, to the General Assembly by
36 December 1, 2021.

37 38 **SPECIFY THAT THE TMDL TRANSPORT FACTOR APPLIES WHEN OFFSETTING** 39 **CERTAIN PERMITTED WASTEWATER DISCHARGES**

40 **SECTION 15.(a)** Notwithstanding 15A NCAC 02B .0701 (Nutrient Strategies
41 Definitions), 15A NCAC 02B .0703 (Nutrient Offset Credit Trading), and 15A NCAC 02B .0713
42 (Neuse Nutrient Strategy: Wastewater Discharge Requirements), nutrient offset credits shall be
43 applied to a wastewater permit by applying the TMDL transport factor to the permitted
44 wastewater discharge and to the nutrient offset credits.

45 **SECTION 15.(b)** Subsection (a) of this section applies only to wastewater discharge
46 permit applications for a local government located in the Neuse River Basin with a customer base
47 of fewer than 15,000 connections.

48 **SECTION 15.(c)** No later than August 1, 2020, the Department of Environmental
49 Quality, in conjunction with affected parties, shall begin the modeling necessary to determine
50 new transport zones and delivery factors for the Neuse River Basin for point source discharges
51 and nutrient offset credits. Once the Department has completed the modeling, the Environmental

1 Management Commission shall use the modeling and other information provided during the
2 public comment period to adopt new transport zones and delivery factors by rule. The
3 Environmental Management Commission may adopt temporary rules to implement this section.

4 **SECTION 15.(d)** This section is effective when it becomes law. Subsections (a) and
5 (b) of this section shall expire when the rule required by subsection (c) of this section becomes
6 effective.

7

8 **SEVERABILITY CLAUSE AND EFFECTIVE DATE**

9 **SECTION 16.(a)** If any provision of this act or the application thereof to any person
10 or circumstances is held invalid, such invalidity shall not affect other provisions or applications
11 of this act that can be given effect without the invalid provision or application, and, to this end,
12 the provisions of this act are declared to be severable.

13 **SECTION 16.(b)** Except as otherwise provided, this act is effective when it becomes
14 law.