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SENATE BILL DRS45372-MHfa-44

Short Title: Black Farmer Restoration Program. (Public)

Sponsors: Senators Murdock and Lowe (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE BLACK FARMER RESTORATION PROGRAM TO
3 PURCHASE FARMLAND ON THE OPEN MARKET AND GRANT IT TO ELIGIBLE
4 INDIVIDUALS, TO ESTABLISH CERTAIN REQUIREMENTS AND LIMITATIONS
5 FOR THE PROGRAM, AND TO ESTABLISH THE "FARM CONSERVATION CORPS"
6 TO PROVIDE TRAINING IN AN ON-FIELD ENVIRONMENT FOR SOCIALLY
7 DISADVANTAGED RESIDENTS.

8 Whereas, decades of systemic barriers led to the loss of millions of acres of land
9 farmed by Black farmers and a significant drop in the number of Black farmers; and

10 Whereas, this legislation and the federal Justice for Black Farmers Act would seek to
11 balance the scales of justice and encourage a renaissance of the Black farming community; Now,
12 therefore,

13 The General Assembly of North Carolina enacts:

14 **SECTION 1.** Chapter 106 of the General Statutes is amended by adding a new
15 Article to read:

16 "Article 61B.

17 "Black Farmer Restoration Program.

18 **"§ 106-748. Definitions.**

19 The following definitions apply in this Article:

- 20 (1) Commissioner. – The Commissioner of Agriculture and Consumer Services.
21 (2) Department. – The North Carolina Department of Agriculture and Consumer
22 Services.
23 (3) Eligible individual. – A resident of this State who meets all of the following
24 criteria:
25 a. Is at least 21 years of age.
26 b. Has previously identified as Black or African American.
27 c. Has at least one parent of African ancestry.
28 (4) Qualifying agricultural easement. – A nonpossessory interest of a holder in
29 real property imposing limitations on the use of the property strictly to
30 agricultural purposes. A qualifying agricultural easement under this Article
31 may allow the property owner to construct, improve, or maintain a primary
32 residence or housing for farmworkers on the land.
33 (5) Qualified entity. – An organization that meets all of the following:
34 a. It is or has a fiscal sponsor who is exempt from taxation pursuant to
35 section 501(c)(3) of the Internal Revenue Code of 1986.



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1 b. It has a minimum of three years of experience providing agricultural
 2 services, business assistance, legal assistance, or advocacy services to
 3 socially disadvantaged farmers.

4 c. At least half of the members of the organization's board of directors
 5 are Black.

6 (6) Socially disadvantaged farmer. – A farmer who is a member of a socially
 7 disadvantaged group.

8 (7) Socially disadvantaged group. – A group of people whose members have been
 9 subject to racial or ethnic prejudice because of their identity as a member of a
 10 group without regard to their individual qualities.

11 (8) Training. – A program approved by the Commissioner that meets all of the
 12 following requirements:

13 a. The program shall provide an eligible individual with a course of study
 14 of no less than 30 academic credit hours that provides the basic skills
 15 to operate a farm profitably.

16 b. The program shall have a primary focus on soil regeneration,
 17 ecosystem preservation, and the strengthening of local community,
 18 and may be provided as direct in-field instruction.

19 c. Program focuses shall include low capital-intensive techniques and
 20 technologies as well as local and regional food systems and the market
 21 opportunities those systems present.

22 **"§ 106-749. Black Farmers and Landowners Restoration Program established; restrictions**
 23 **on land grants; agricultural easement required.**

24 (a) Program Established. – The Black Farmers and Landowners Restoration Program is
 25 established within the North Carolina Department of Agriculture to support current Black
 26 farmers and to encourage the growth of Black farmers in the field of agriculture. The Black
 27 Farmer Restoration Fund (Fund) is established as a special revenue fund. The Fund shall consist
 28 of gifts, grants, and donations from non-State entities and General Fund appropriations for the
 29 support of the programs established by this Article. The Fund shall be used for the following
 30 purposes:

31 (1) The purchase, from willing sellers, of available agricultural land within this
 32 State at a price no greater than fair market value.

33 (2) The conveyance of grants of the purchased land to eligible individuals at no
 34 cost to the eligible individual as specified in subsection (b) of this section.

35 (3) The Farm Conservation Corps established under G.S. 106-749.5.

36 (4) Grants to universities and nonprofit entities to provide training, advocacy, or
 37 legal services to socially disadvantaged farmers for the purpose of preserving
 38 the use of land owned by these farmers for agricultural production.

39 (b) Land Grants. – Land grants from the Fund are subject to the following procedures and
 40 restrictions:

41 (1) An eligible individual seeking a land grant shall submit an application on a
 42 form and in a manner approved by the Commissioner. The Commissioner
 43 shall provide a database or other compilation of lands acquired under
 44 subdivision (a)(1) of this section that includes a legal description of
 45 agricultural lands grantable to the individual.

46 (2) In evaluating applications for a land grant, the Commissioner shall give
 47 priority to applications from any of the following:

48 a. Socially disadvantaged farmers.

49 b. Eligible individuals with a family history of land dispossession.

1 c. Eligible individuals with experience in agriculture, including
2 experience obtained through the provisions of this Article or other
3 agricultural apprenticeship programs.

4 d. Eligible individuals who are veterans.

5 (3) A land grant to an eligible individual may not exceed one hundred acres.

6 (4) The Commissioner may grant an application submitted by a qualified entity
7 on behalf of one or more eligible individuals seeking a land grant. An
8 application submitted by a qualified entity for more than one hundred acres
9 must include a proposal for how the land will be subdivided and separately
10 conveyed to multiple eligible individuals.

11 (5) The Commissioner shall attach a qualifying agricultural easement to the land
12 before it may be conveyed to the eligible individual or qualified entity.

13 (6) The recipient of a land grant under this Article may sell the land but the
14 Department has the right of first refusal to purchase the land at the appraised
15 value of the land to convey to another eligible individual pursuant to the
16 provisions of this Article.

17 (c) The Department shall adopt rules to carry out the provisions of this Article.

18 **§ 106-749.5. Farm Conservation Corps.**

19 The Farm Conservation Corps program is established in the Department to provide residents
20 of the State between the ages of 18 and 29 from socially disadvantaged groups the academic,
21 vocational, and social skills necessary to pursue long-term and productive careers in agriculture.
22 The members of the Farm Conservation Corps shall be selected in a manner specified by the
23 Department, and shall serve as on-farm apprentices, at no cost, to farms with an annual gross
24 farm income of less than two hundred fifty thousand dollars (\$250,000) operated by any of the
25 following:

26 (1) Socially disadvantaged farmers.

27 (2) Beginning farmers.

28 (3) Farmers operating certified organic farms as defined in section 2103 of the
29 Organic Foods Production Act, 7 U.S.C. § 6502."

30 **SECTION 2.(a)** G.S. 105-153.5(b) is amended by adding a new subdivision to read:

31 "(15) An amount not to exceed fifty thousand dollars (\$50,000) of income from
32 farming operations a qualifying farmer receives during the taxable year. In the
33 case of a married couple filing a joint return where both spouses are qualifying
34 farmers that receive or incur net income from farming operations, the
35 maximum dollar amounts apply separately to each spouse's income from
36 farming operations, not to exceed a total of one hundred thousand dollars
37 (\$100,000). For purposes of this subdivision, (i) the terms "qualifying farmer"
38 and "income from farming operations" are defined in G.S. 105-164.13E and
39 (ii) the term "income from farming operations" does not include income that
40 is considered passive income under the Code."

41 **SECTION 2.(b)** This section is effective for taxable years beginning on or after
42 January 1, 2021.

43 **SECTION 3.(a)** The sum of eight million four hundred fifty thousand dollars
44 (\$8,450,000) in nonrecurring funds for the 2021-2022 fiscal year is appropriated from the
45 General Fund to the Department of Agriculture and Consumer Services, to be allocated as
46 follows:

47 (1) \$2,450,000 to the Black Farmer Fund established in G.S. 106-749, as enacted
48 by Section 1 of this act. Of these funds, \$1,500,000 shall be used to fund the
49 Farm Conservation Corps.

50 (2) \$3,000,000 to the Black Farmer Fund and the Agricultural Development and
51 Farmland Preservation Trust Fund for the purchase of agricultural easements

1 and related land restoration projects for Black and socially disadvantaged
2 farmers and landowners through the Black Farmers and Landowners
3 Restoration Program.
4 (3) \$3,000,000 to the Department of Agriculture and Consumer Services for
5 marketing and advertising to help farmers adapt to and reach new markets.
6 These funds may also be used for assistance with branding and digital
7 engagement, including website and application development.
8 **SECTION 3.(b)** This section becomes effective July 1, 2021.
9 **SECTION 4.** Except as otherwise provided, this act is effective when it becomes
10 law.