

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 130
PROPOSED COMMITTEE SUBSTITUTE H130-PCS30115-BRa-2

Short Title: Agriculture Crops Disaster Relief.

(Public)

Sponsors:

Referred to:

February 18, 2025

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH AND FUND AN AGRICULTURAL DISASTER CROP LOSS
PROGRAM.

The General Assembly of North Carolina enacts:

PART I. LEGISLATIVE FINDINGS

SECTION 1.1. The North Carolina General Assembly makes the following findings for agriculture in 2024:

- (1) Agriculture and agribusiness in North Carolina constituted an economic impact of one hundred eleven billion one hundred million dollars (\$111,100,000,000), posting an eight billion dollar (\$8,000,000,000) increase from the previous year.
- (2) North Carolina is one of the nation's top producers of a diversity of agriculture commodities, including sweet potatoes, tobacco, eggs, cucumbers, Christmas trees, trout, peanuts, broilers, and cotton.
- (3) North Carolina suffered continual damage to agricultural crops and commodities from natural disasters that impacted every portion of the State, including drought, excessive rainfall, and tropical storms.
- (4) Every county in the State was included in one or more secretarial disaster declarations by the United States Department of Agriculture based on a finding of significant production losses for agriculture.

PART II. TRANSFERS AND APPROPRIATIONS

SECTION 2.1.(a) Transfer. – The State Controller shall transfer the following amounts from the following sources to the State Emergency Response and Disaster Relief Fund:

- (1) Two hundred million dollars (\$200,000,000) from the Stabilization and Inflation Reserve.
- (2) Two hundred million dollars (\$200,000,000) from the Information Technology Reserve.
- (3) Seventy-five million dollars (\$75,000,000) from the Economic Development Project Reserve.

SECTION 2.1.(b) Appropriation. – The State Controller shall transfer from the State Emergency Response and Disaster Relief Fund to the Department of Agriculture and Consumer Services (Department) the sum of four hundred seventy-five million dollars (\$475,000,000). The funds transferred in this subsection are appropriated to the Department for the 2024 Agricultural Disaster Crop Loss Program as established in Part III of this act. These funds and remaining



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1 funds from Section 5.9A(c)(2) of S.L. 2021-180 and Section 5.4(a)(4)a. of S.L. 2022-74 shall be
2 used to assist farmers in counties designated by the United States Department of Agriculture as
3 agricultural disasters that occurred during 2024 in this State.
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5 **PART III. 2024 AGRICULTURAL DISASTER CROP LOSS PROGRAM**

6 **SECTION 3.1.(a)** Agricultural Disaster Crop Loss Program. – The 2024
7 Agricultural Disaster Crop Loss Program is established within the Department of Agriculture and
8 Consumer Services. The Program shall be used to provide financial assistance to farmers with
9 verified losses from an agricultural disaster in this State in 2024. The Department may use up to
10 one percent (1%) of funds allocated for the Program for administrative purposes. To be eligible
11 for financial assistance for losses of agricultural commodities, a person must satisfy all of the
12 following criteria:

- 13 (1) The person experienced a verifiable loss of agricultural commodities as a
14 result of an agricultural disaster in 2024, and the person's farm is located in an
15 affected area for the respective agricultural disaster.
- 16 (2) The agricultural commodity was planted but not harvested on or before the
17 eligibility date, or, for aquaculture commodities, the commodities were being
18 raised on or before the eligibility date. For purposes of this subsection, the
19 term "eligibility date" refers to the date of the disaster set forth in the
20 Secretarial declaration for the county in which the agricultural or aquaculture
21 commodities are located and for which verifiable losses are claimed.

22 **SECTION 3.1.(b)** Verification of Loss. – A person seeking financial assistance for
23 losses of agricultural commodities under the Program shall submit to the Department a Form 578
24 on file with the USDA Farm Service Agency or a form provided by the Department for reporting
25 acreage or plantings of crops or loss that is not typically reported on Form 578, along with any
26 other documentation deemed appropriate by the Department, no later than 45 days after this
27 section becomes effective. For nursery crops, fruit-bearing trees and bushes, and specialty crops
28 where the survival level is not immediately known, the Department may extend this deadline by
29 an additional 45 days, upon written request by the person received no later than 45 days after this
30 section becomes effective and upon approval by the Department. A person receiving assistance
31 under this Program must provide a signed affidavit, under penalty of perjury, certifying that each
32 fact of the loss presented by the person is accurate.

33 **SECTION 3.1.(c)** Criteria. – The Department shall administer the financial
34 assistance program authorized by this section in accordance with the following criteria:

- 35 (1) In determining the payment calculation for agricultural commodities, the
36 Department shall use a formula based on acreage, county loss estimates,
37 USDA National Agricultural Statistics Service averages, and any other
38 measure the Department deems appropriate. Funds shall be distributed based
39 on county averages for yields and State averages for price. Calculations shall
40 be based on county or State averages in price, whichever the Department
41 determines is appropriate.
- 42 (2) The Department shall gather all claim information, except from those
43 applicants granted a deadline extension, no later than 45 days after this section
44 becomes law. The Department shall, as closely as possible, estimate the
45 amount of the funds needed to be held in reserve for payments related to losses
46 of nursery, bush, tree, and specialty crops for which losses will not be fully
47 known or calculated. The Department shall set aside funds as it deems
48 appropriate based on the estimated percentage of these losses.
- 49 (3) Payments made under this Program shall be made to the person who filed the
50 Form 578 or Department form for claims related to agricultural commodity
51 losses.

1 **SECTION 3.1.(d)** Audit; Documentation. – The Department may audit the financial
2 and other records of each recipient of funds in order to ensure that the funds are used in
3 accordance with the requirements of this Program. The Department may require any
4 documentation or proof it considers necessary to efficiently administer this Program, including
5 the ownership structure of each entity and the social security numbers of each owner. In order to
6 verify losses, the Department may require the submission of dated, signed, and continuous
7 records. These records may include, but are not limited to, commercial receipts, settlement sheets,
8 warehouse ledger sheets, pick records, load summaries, contemporaneous measurements, truck
9 scale tickets, contemporaneous diaries, appraisals, ledgers of income, income statements of
10 deposit slips, cash register tape, invoices for custom harvesting, u-pick records, and insurance
11 documents.

12 **SECTION 3.1.(e)** Expenditure of Awarded Funds. – Awarded funds shall be used
13 for agricultural production expenses and recovery of losses due to the impacts of the agricultural
14 disaster. The Department shall develop guidelines and procedures to ensure that funds are
15 expended for the purposes allowed by this section and may require any documentation it
16 determines necessary to verify the appropriate use of financial assistance awards, including
17 receipts. All distributed funds are subject to federal and State income tax.

18 **SECTION 3.1.(f)** Refund of Award. – If a person receives financial assistance under
19 this program for which the person is ineligible, or if the amount of the financial assistance
20 received is based on inaccurate information, the person forfeits the assistance awarded under this
21 section and is liable for the amounts received. Assistance forfeited under this section shall bear
22 interest at the rate determined in accordance with G.S. 105-241.21 as of the date of receipt until
23 repaid. Financial assistance forfeited but not paid shall be collected by a civil action in the name
24 of the State, and the recipient shall pay the cost of the action. The Attorney General, at the request
25 of the Commissioner of Agriculture, shall institute the action in the proper court for the collection
26 of the award forfeited, including interest thereon.

27 **SECTION 3.1.(g)** Definitions. – For purposes of this section, the following
28 definitions apply:

- 29 (1) Agricultural commodity. – Any crop, flowering plant, aquaculture species,
30 fruit, grain, native grass, ornamental plant, sod, specialty crop, tree, or
31 vegetable. An agricultural commodity does not include stored grain.
- 32 (2) Agricultural disaster. – A secretarial disaster designation declared by the
33 United States Department of Agriculture Secretary for qualifying counties in
34 this State.
- 35 (3) Department. – The Department of Agriculture and Consumer Services.
- 36 (4) Person. – Any individual, trust, estate, partnership, receiver, association,
37 company, limited liability company, corporation, or other entity or group.
- 38 (5) Program. – The 2024 Agricultural Disaster Crop Loss Program.

39 **SECTION 3.1.(h)** Program Reporting Requirement. – The Department shall submit
40 a report to the Fiscal Research Division no later than the first day of the month six months after
41 this section becomes effective, and every six months thereafter until all funds are expended or
42 the Program expires, containing, at a minimum, all of the following data:

- 43 (1) The number of applicants by agricultural commodity and the county in which
44 the person incurred the verified loss.
- 45 (2) The number and amount of grants awarded by agricultural commodity.
- 46 (3) The geographic distribution of the grants awarded.
- 47 (4) The total amount of funding available to the Program, the total amount
48 encumbered, and the total amount disbursed to date.
- 49 (5) Any refunds made to the Program pursuant to subsection (f) of this section.

1 **SECTION 3.1.(i)** Expiration and Reversion. – The Program shall expire 30 months
2 after this section becomes effective. Any funds allocated to the Program not expended or
3 encumbered by that date shall revert to the State Emergency Response and Disaster Relief Fund.
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5 **PART IV. EFFECTIVE DATE**

6 **SECTION 4.1.** This act is effective when it becomes law.