



**House Committee on Agriculture and Environment  
Wednesday, June 18, 2025 at 11:00 AM & 4:00 PM  
Room 643 of the Legislative Office Building**

**MINUTES**

The House Committee on Agriculture and Environment meets at 11:11 AM and again at 4:00 PM on June 18, 2025 in Room 643 of the Legislative Office Building. Representatives Ager, Alston, Balkcom, Biggs, Brisson, Brockman, K. Brown, Butler, Crawford, Davis, Dixon, Eddins, Gillespie, Goodwin, Greenfield, K. Hall, Harrison, Humphrey, Huneycutt, N. Jackson, Jeffers, Kidwell, Majeed, McNeely, Moss, Penny, Pickett, Quick, Strickland, Watford, and Tyson (ex officio) are in attendance.

Representative Jeffrey C. McNeely, Co-Chair, presiding.

*Introductions*

**Sergeant-at-Arms**

Rey Cooke, Theresa Ferguson, Nina Lage, Stafford Young

**House Pages**

Clara Allen, Alexis Beckelhimer, Natalie Brown, Lena Overton, Ella Claire Sexton

*Considered Bill*

**SB 472 Amend 401 Certification Process. (Senators Jarvis, McInnis, Moffitt)**

The Proposed Committee Substitute (PCS) without objection was presented to the committee by Rep. Celeste Cairns and Rep. Carson Smith.

Representative Moss offers **Amendment No. S472-ATQ-74-V-2**. Representative Moss moves for adoption of the amendment. Amendment No. S472-ATQ-74-V-2 is **adopted** by a voice vote.

Rep. Cairns: This legislation can be presented in three parts. First, the bill provides some reform to the 401 Certification process. North Carolina law already requires that the state's water quality standards are consistent with the federal water quality standards, so that environmental protections remain aligned. Due to this consistency, this bill aligns the state's 401 Certification process with the federal government's approach. The bill streamlines the review of 401 Certification for projects that are covered by nationwide permits. The intention is to eliminate redundant reviews and provide clear timelines, which will allow the state to focus its resources on more complex and high-risk projects. This language was developed in consultation with DEQ (NC Dept. of Environmental Quality), and it has their agreement.

Secondly, the legislation establishes clear environmental standards and a consistent regulatory framework for the development of upland basin marinas. The language requires that these marinas meet or exceed water quality benchmarks, limits impacts on coastal wetlands, and mandates mitigation for any environmental disturbance. Long term maintenance must be financially secured through bonds or set aside funds to ensure sustainable operation. This measure supports responsible development, by clarifying the permitting requirements and promoting environmental protection in recreational access. The language was developed in close coordination with DEQ and the NC Coastal Federation through a collaborative process.

Lastly, the legislation addresses man-made ditches and clarifies that man-made ditches and features are not natural coastal features intended to be designated as areas of environmental concern by CAMA (Coastal Area Management Act). This language has been developed in consultation with DEQ and incorporates comments received from the agency.

Rep. Carson Smith: Some of the coastal legislators have heard issues about this for years and years. And, we're just trying to clear up some of these issues. A lot of it is clarification. Some of it is making moderate adjustments.

Q: Rep. Harrison asks about Amendment - time frame being moved from 15 days to 5. The bill that passed the Senate had a compromise between DEQ and the Home Builders to move it up to 15 days.

A: Rep. Cairns: This primarily came from our Senators.

A: Chris Saunders (Legislative Analysis Division): It's referring to the section about requesting additional information.

C: Rep. Harrison provides additional comments.

A: Rep. Cairns offers to work with Rep. Harrison and fix Amendment language on the House floor.

Q: Rep. Ager: Ditches--anywhere there's a ditch can't be considered an area of environmental concern?

A: Rep. Carson: This clarifies the legislative intent, when it was passed, which focuses CAMA jurisdiction on natural coastal features. They have gone far from the coast in some cases, into man-made lagoons and ditches, and they've exerted their reach beyond the legislative intent.

Q: Rep. Butler: We're going to impose impossible deadlines on an agency that had its funding cut by about 40%. Why are we doing this?

A: Rep. McNeely: evidently someone over in the Senate wants this.

Public Comment: Ryan Davenport (Carteret County Shore Protection Office). Our office manages shoreline protection and waterway projects county-wide. On all of our public infrastructure projects the CAMA works great, as long as the 401 Certification is streamlined. It is always the 401 Cert. that holds everything up. In many cases, we can't even enhance resources when appropriate, because the same rules that protect resources keep us from enhancing them. Carteret Co. supports this bill.

C: Rep. Carson: additional comments.

Representative Dixon moves for a favorable report to the Proposed Committee Substitute for SB 472, as amended, with amendments rolled in to a new committee substitute, unfavorable to the original bill, and re-referred to the Committee on **RULES**. The motion carries by a voice vote.

The Committee recessed at 11:27 AM, to reconvene at 4:00 PM / after session.

The Committee reconvened at 4:25 PM on June 18, 2025 in Room 643 of the Legislative Office Building. Representatives Ager, Alston, Balkcom, Biggs, Brisson, Brody, K. Brown, Butler, Crawford, Davis, Dixon, Eddins, Gillespie, Greenfield, K. Hall, Harrison, Humphrey, Huneycutt, N. Jackson, Jeffers, Kidwell, Lofton, Majeed, McNeely, Moss, Penny, Pickett, Quick, Reives, Strickland, Watford, B. Jones (ex officio), Setzer (ex officio), and Tyson (ex officio) are in attendance.

## Considered Bill

### **SB 401 Dealer License Renewal Modifications. (Senators Jackson, Lazzara, Sawyer)**

The Proposed Committee Substitute (PCS) without objection was presented to the committee by Rep. Jimmy Dixon. Rep. Dixon asks Chris Saunders (LAD) to review the provisions of the PCS.

Section 1, directs the Dept. of Agriculture & Consumer Services to update the strategic plan for protecting agricultural water resources.

Section 2, would establish a feral swine working group within the Wildlife Resources Commission to develop a statewide plan to control feral swine damage on private and public lands.

Section 3, would allow for denial of special use permits, for negative impact on agricultural production. That would not apply where the primary purpose of the proposed land is construction of single-family dwellings or 2-4 family dwellings.

Section 4, would repeal a violation point system applicable to swine farms that was enacted in 1997 but has never been implemented.

Section 5, makes a technical correction based on a 2023 change in the law.

Section 6, would amend eligibility criteria for the animal waste fertilizer conversion cost share program, to provide that a person who's converting sludge from an anaerobic lagoon or other liquid animal waste management system treating animal waste from a livestock operation into fertilizer products is eligible for that program.

Section 7, would clarify the species susceptible to chronic wasting disease for purposes of deer farming. So that would allow the importation of muntjac deer and reindeer and that were not bred in captivity, as those are defined by USDA as not susceptible to chronic wasting disease.

Section 8, would modify requirements for composting of equine and bovine mortality. They would basically have the same requirements for current composting facilities for animal mortality, except they wouldn't have to be on an impervious foundation and under a roof.

Section 9, would require school principals to authorize at least two excused absences per academic year for participation in equestrian sporting events, livestock shows, or similar agricultural events.

Section 10, would declare New Hanover County and Pender County as high hazard counties for purposes of open burning.

Section 11, would allow the pesticide board to adjust their annual assessment for registered pesticides, up to \$125. They would have to do that by rule.

Section 12, would give the Dept. of Agriculture more authority to enforce, under their liquid petroleum gas inspections.

Section 13, would make changes to the Public Way master program. It would make a license valid for a calendar year versus a year running from July 1 - June 30, change some fees, and make some changes to the seal and how they can use electronic stamps.

Section 14, would direct the Agriculture & Forestry Study Commission to study low-hanging communication lines. This was enacted back in 2024 as well, but the commission didn't actually meet and study it.

Section 15, would reduce some penalties for certain shellfish aquaculture violations, namely improperly marked shellfish lease areas and operating under expired aquaculture operation permits for shellfish lease agreements within one month after the expiration. Those would be warning ticket, for the improperly marked shellfish lease area. Second offense within a month would be an infraction. And, a third would be Class 3 misdemeanor. Currently those are class A1 misdemeanors.

Section 16, would increase the penalty for second or subsequent offenses for larceny of crops.

Section 17, would provide that in a products liability suit based on a "failure to warn" claim, the duty of a manufacturer or seller of a pesticide to warn about the risk associated with that pesticide is presumed to met if the label has been approved by the EPA (US Environmental Protection Agency) under FIFRA (Federal Insecticide, Fungicide, and Rodenticide Act) and the pesticide is registered with the pesticide board. That section would specify that the presumption may be rebutted only by showing that the way to the scientific evidence does not support the scientific bases on which the required warning is premised. And, that the manufacturer or seller knew or should have known at the time that the pesticide was sold that the required warning was not supported by the weight of scientific evidence.

Section 18, would add small or large type 1, 2 or 3 composting facilities under the definition of agriculture in 106-581.1.

Section 19, would increase the amount of the assessment on propane from .002 to .003 cents per gallon and increase the vote share required to approve the assessment.

Section 20, would make certain rules, that the EMC (Environmental Management Commission) was required to adopt after approval by US EPA last year, exempt from the 10 letters of objection and legislative review process.

Section 21, gets into the disaster recovery funding portion of the bill. That would appropriate \$20 million nonrecurring funds to Robeson County for state matching requirements for federal funding for Lumber River storm debris cleanup.

Section 22, would appropriate \$142 million nonrecurring funds for statewide crop losses due to verifiable losses from agricultural disaster in 2024.

Q: Rep. Harrison asked about Section 3, what would be affected, solar panels? And followed with questions about Section 15, and APA wastewater permitting.

A: Chris Saunders (LAD): Yes, solar panels is a use that would likely be affected by that. Will follow up on other questions after verifying info.

Rep. Dixon thanks the committee staff, Chris Saunders and Jennifer, for all of their work and accuracy. Members, they've been working six months on this kind of stuff. My remarks are going to be in general and not really specific. The concept here, as many of you may remember, when the Senate passed their budget they had \$250 million in the budget for disaster relief across the state. The House leadership would rather not have that disaster in the budget but in a different vehicle. So that explains why the disaster money is in this bill. The Senate, as most of you know, yesterday passed their version of the Farm Act. In the House, we were not sure when that would happen. And, so a couple of days ago, we constructed a pathway that we felt would be workable to get the disaster money that is involved in this bill out, before we apparently go home next week. The \$20 million that Rep. Harrison referred to is necessary. It will pull down \$80 million from the feds, to handle flood mitigation work, clearing debris removal, river clean out for the Lumber River area. I don't know of anything more important down East than what that provision would do. So the \$20 million there and Rep. Jones will have more to say about that.

There is in the bill \$142 million for statewide disaster crop payments. This is irregardless of the event that necessitated the disaster. Any qualified disaster that took place in 2024, wherever it was in the state, this is additional disaster money for those. That application process, which is another reason that we were trying to get another vehicle that will move relatively quick; Commissioner Troxler and the Dept. of Agriculture has received almost 9,000 applications. If this is enacted in a timely manner, there will not have to be another application program. This will suffice. The funds will be distributed based on verifiable losses, by commodity. There is only one weighted part of the distributed system and I'll explain what weighted is. For example, our friends in the mountains, cannot get insurance on Christmas trees.

There are certain other nursery products that we can't get federal crop insurance on. So the last round that we did disaster funding, a lot of people outside of the Dept. of Agriculture, worked on a formula of distribution. And, I can tell you--it is blind. It is a blind type of process. There were zero complaints, with the last round of funding that we did under these circumstances. I'll give the simplest example that I can give you. Let's say the losses were corn; you can get federal crop insurance on corn. Most farmer's insure that for 40-65% of what their average production is. The Dept. assumes an insurance rate of 60%. When the actual loss is known, and we see what the insurance paid, that leaves an uninsured loss remaining. These funds, as the funds were in the past, will be distributed based on that uninsured loss that remains, weighted to cover Christmas trees and some things that you can't get insurance on.

That is in my estimation one of the most viable parts of the legislation. To date, we have done very very little for our row-crop farmers. Some of these farmers started out 2024. Wheat is one of the last things that is harvested, one of the first things planted. Some of these losses occurred in January, February, and March of 2024. That drought was immediately followed by flooding, and then hurricane Debby, and then other factors. And, so I think timely distributions of any funds that we would get out there is important.

How did we come up with the \$142 million? Over the last several weeks, I've been talking to the full chairs. And, rather than go into the grocery store with an empty grocery cart, and put what I think I need and what I think I want, and then get to the cash register and find out I don't have enough money to pay for it; I took the opposite approach. What I tried to find out is how much the full chairs thought that we could afford to put in this. We all know what the forecasts are for 2026-2027. I have a lot of admiration for our full chairs and the tremendous job that they have. I don't think anyone in here wants to furlough teachers again. I don't think anybody in here wants to send out revisions. We're going to get criticized, when we end up with the significant amount of money in surplus, and why we didn't spend it. I've just stated the two reasons that I'm concerned. So, as they looked at the money available, they came back with that figure for me, that they were comfortable with me putting forward. That gives you some of the background noise. Certainly not the details. But, we'll stand for any questions. Mr. Chairman, I understand that there are amendments. Can be in any order you would like. If there are any other members who would like to be recognized at this time, I would suggest that you do that.

Rep. McNeely: before we start taking amendments, we'll talk a little bit on what we do have that we can maybe get along with. Any questions on the bill as it is right this second?

Q: Rep. Harrison: provision about allowing denial of special use permits for farmland (section 3, page 2), that have a negative impact on agriculture. What is the purpose? It appears to allow for the prohibition of solar on farmland. Can you speak to what it applies to? Is there an issue?

A: Rep. Dixon: I've had zero contact that this has anything to do with solar panels. The language there would allow a board of adjustment, planning board, or governing board to deny a special use permit for a property that is owned by a business entity, that has owned the property for less than three years, on the basis that the proposed land use will negatively impact agriculture production within the local government's jurisdiction. This would not apply where the primary purpose of the proposed land use is the construction of single-family dwellings or 2-4 family dwellings. Other than that, related to single-family or 4-family dwellings, this would allow anything that is considered negatively impacting agriculture production within that jurisdiction to be denied. That could be McDonald's, a golf driving range, or any other type of structure that those boards, in their wisdom in their locality, would impede the opportunity for agriculture production.

Q: Rep. Harrison: APA exemption for modernizing wastewater permitting (page 11, section 20, line 48). Is this to a specific situation, or is this an area where we've had problems?

A: Rep. Dixon: The way I'm interpreting that, their exempted from the 10 letters, the way I'm reading it,

A: Jennifer McGinnis (LAD): There was some language run in the budget last year (well, it ended up in another bill) but it required the EMC and DEQ to develop specific rules. The shorthand was highly treated wastewater. And then send those draft rules up to EPA for approval. And then when they came back to the Dept., presuming US EPA approved, then DEQ and EMC would have to take those approved rules to rule making within 20 days; and this would then eliminate the 10 letter of objection part of the rule making process.

C: Rep. Harrison: I would speak to section 17, but I think there's an amendment on it.

Q: Rep. Brody: Why was this (section 20) perceived to be needed?

A: Rep. Dixon: This was developed in the Senate, and we've inherited it.

C: Rep. Jeffers: Comments on changes to special use permit (section 3).

Q: Rep. Lofton: Is there anything that defines what it means to interfere with agricultural production? Is it interfering with another property's use? Or, could be just a shift away from agricultural use?

A: Chris Saunders (LAD): It's not defined in here. It would be in the discretion of the local government. It could be interpreted to mean on the land that is the subject of the special use permit or potentially neighboring properties as well (as long as it's in the jurisdiction of local government).

Rep. McNeely asks Christine Legit answer earlier question re: \$20 million.

A: Christine Legit (Fiscal Research): Rep. Harrison, the \$20 million for the Lumber River is coming from the \$96 million that was appropriated in the 2021 budget for stream debris removal related to the blueprint. So, it's from that \$96 million pot, not the \$20 million that was appropriated to DEQ for the blueprint.

## Amendments

Representative Penny offers **Amendment No. S401-ATQ-78-v-3**. This is to amend the statewide study on shellfish and aquaculture leasing and current moratoriums on shellfish leasing. This passed the House already, 110 to 0. Ended up in a Senate bill and it's back in this bill. Two key points: 1. effectiveness of existing regulations after meeting governing shellfish aquaculture leases, and 2. recommendations for a statewide framework for regulation and permitting of shellfish aquaculture that benefits the industry and the state, while mitigating conflicts with user of public trust waters.

C: Rep. Dixon asks the committee to support this amendment.

Representative Dixon moves for adoption of the amendment. Amendment No. S401-ATQ-78-v-3 is **adopted** by a voice vote.

Representative Gillespie offers **Amendment No. S401-ATC-17-v-2**. This amendment is all language that we've seen before. The sawmill language. If sawmills are not agriculture, I don't know what is.

C: Rep. Dixon asks the committee to support this amendment.

Representative Dixon moves for adoption of the amendment. Amendment No. S401-ATC-17-v-2 is **adopted** by a voice vote.

Representative McNeely offers **Amendment No. S401-ATQf-72-v-2**. Require Approval from County Commissioners for Annexation of Certain Property. This language passed House Ag. and Reg. Reform unanimously. Falls in very well with what we're trying to do in preserving farm land.

Q: Rep. Moss: Seems like we're creating more hoops [to jump through] for landowners and their property rights. Now, we're going to have to have the board of commissioners sign-off on an annexation a municipality is going to do with a landowner. Why was this created?

A: Rep. McNeely: It will allow for counties with populations of 150,000 or more to plan better and have less sprawl. People keep going further and further out, finding cheaper land to try to go ahead and annex, and next thing you know, we're having to build schools because the schools are overcrowded. This, in a way, allows us to inner-fill the city and hopefully preserve some of the farmland, until the whole ETJ (extraterritorial jurisdiction) moves out to it.

Q: Rep. Ager: This would be for every county with more than 150,000 people, such that if a town wanted to annex something they couldn't do it unless the county commission approved?

A: Rep. McNeely: That's not true. They still can. They'll have to make the adjustment on what it takes to put the school back into 100% capacity (if it's over capacity). It can still happen; they'll just have to figure out how they're going to do it and work with the county.

Q: Rep. Dixon: The money part is no longer in this, correct?

C: Rep. Dixon recommends that the committee approve this amendment.

Q: Rep. Brody: What kind of solutions would be approved to equalize this school thing? If you have the situation where the school is full anyway, does that mean that because you can't mitigate that you can't sell that?

A: Rep. McNeely: You can mitigate it. It will be up to the city to decide if they still want to do the annexation. They'll have a choice in this, and they have a path forward. But, also, right now, county commissioners do not have a say in annexations. So, any piece of property can happen at any place and any given time without any planning or looking at the county planning. So, I'm hoping this will make the cities and the counties work together more in their planning and grow more uniformly. Right now, in my county, I see sprawl that is creating a burden on rural roads that shouldn't have 500-600 homes. And, shouldn't be too far out with the sewer lines. Every time they run their sewer lines farther, it diminishes their capacity, not just from the homes but the ability. This, I hope, will help them do inner-field better, inside the city limits or ETJ--that's what we envisioned city limits and ETJ for.

Q: Rep. Jeffers: would it allow those cities and counties that work well together, would it allow the county to exempt the city from paying that? Let's say the county wants to go ahead and continue funding it.

A: Rep. McNeely: It basically gives the county commissioners the choice whether they say "yes" or "no." They can say "yes," and there is nothing. They can say "no," and if the city still wants to pursue, this does not stop them. This does not stop anybody from developing. But, it does help things work better. And, I think it'll be a lot more cohesive.

Q: Rep. Moss: When I think of commissioners and city councils working together, sometimes it's almost impossible. But, if someone's trying to sell some property, and it's going to be annexed in by a municipality, and the schools really can't handle it, it's going to put someone in the position where they're probably going to have to spend millions of dollars to build another school. Which means it's probably going to end up making the sale not possible. This seems like it might create a barrier to affordable housing being built.

A: Rep. McNeely: I think this will help with affordable housing, because this will be able to be used in areas where in the city limits you can have increased density. Where, in my county, it's two houses per acre if everything works perfectly and perks. This way, it'll allow them to go ahead and make sure they do the inner-field inside the city limits. The big thing that we have going on is sprawl. And, it looks like a hopscotch pad. You have a piece of land, and once the sewer gets there, another piece connects to it, then another piece. Next thing you know, you're three miles outside of the ETJ of that city, with annexed property, and there's no planning involved in that. The cities walk away with the sewer and water tap fees. They're making money right off the get-go. All the emphasis is put then on county roads and county issues that they didn't see coming, because they hadn't planned this in their land plan to have that kind of density out there. Once it gets annexed, density increases out into the country.

Representative Dixon moves for adoption of the amendment. Amendment No. S401-ATQf-72-v-2 is **adopted** by a voice vote.

Representative McNeely offers **Amendment No. X S401-ARI-77-v-1**. You've probably heard the old saying, "don't park where my septic tank is; you'll fall in." This allows approved products from DEQ to be used that will allow the area where your septic field is to be used for other things, like a road, etc.

C: Nathan Honaker (representing T&J Pannel that makes one of these onsite wastewater treatments systems): All this does is give property owners another option for landuse, by allowing that area of property where the wastewater treatment system is located to be underneath a driveway or another impervious surface. An engineer has to sign-off on this. There is precedent for this being done in this context with engineer's approval in NC, but there's no specific rule or law on the books.

C: Rep. Dixon: Vote your conscience.

C: Rep. Brody: It's a good product.

Representative Gillespie moves for adoption of the amendment. Amendment No. S401-ARI-77-v-1 is **adopted** by a voice vote.

Representative Kidwell offers **Amendment No. S401-ATQ-76-v-1**. This amendment simply removes section 17 from the bill (page 10, lines 34-49), which is giving some benefit to the chemical manufacturers and their liability. This would take that out and leave the law as it stands.

C: Rep. Harrison: I did a little bit of research on this. Like all of us, I've been hearing from constituents, and I've been following this issue as it relates to glyphosate. That particular compound is used very frequently in agriculture. And, some of the side affects are cancer, brain damage, parkinson's disease, infertility, developmental harm to children. We've seen birth defects. It can be quite dangerous. And, I think that this immunity provision is very problematic for the health of our constituents. So, I encourage you to vote for this amendment.

C: Rep. Penny: I'm going to ask my colleagues to vote against this amendment. There's several things that I really don't think comes into play. I understand that chemical companies are large, and I understand about liability. I spent 50 years professionally in the agri-chemical industry in the Carolinas and Virginia, so I know a little bit about what goes on. One of the things that's bothersome to me: when you go to Walmart and buy a chemical, there a label on that container. If you go to a pesticide dealer, fertilizer dealer and you buy a chemical, there going to have an MSD (Material Safety Data Sheet) issued. They're going to tell you how you need to apply that chemical, your safety precautions, and what your apparel has to be to handle that chemical. They have to do that. If you buy a restricted use chemical, first of all, you've got to have a license. 50 years, I have a state public and private pesticide license, so I spent a career knowing how to handle chemicals safely. My concern with what you're saying here is, somebody puts on their flips, Bermuda shorts and tank top, gets a chemical, does not read the label, goes out and sprays it, and then there's a penalty for that. There's a reason why that person has chemical injury--because they did not read the label. Any container from small to large has a label. You need to read the label.

The other impact, and I understand obviously chemical manufacturers have the deeper pockets, but if you stop to consider the impact on Agriculture in NC if we don't have the chemicals (and, I'm a farmer, I'll admit that, and I spray chemicals all the time). But, if you thought about the economic impact on agriculture if we don't have pesticides, insecticides, nematicides, weeds killers, to be able to produce a crop to feed us. And, I look around here; I don't see too many people that's missed any meals in here. But, they've got to be safe. We all agree that they've got to be safe. But, again, folks I don't know how you legislate for people not reading the label.

Q: Rep. Ager: Are there other industries that we give this kind of liability protection to? Do we give the pharmaceutical industry this kind of liability protection or any other industries where they go through a federal process, and then we say, 'well if you go through that federal process, then you get this same kind of liability'?

A: Chris Saunders (LAD): The only two exceptions in 99b-5, which is this statute about 'failure to warn' claims, the first is for open and obvious risks or risks that are a matter of common knowledge. Those are kind of general exceptions. And then subsection C, provides that no manufacturer or seller of a prescription drug shall be liable in a 'failure to warn' claim or instruction directly to consumer, if an adequate warning or instruction has been provided to the physician or other legally authorized person who prescribed or dispenses that drug for the claimant, unless the US FDA (Food & Drug Administration) requires such direct consumer warning or instruction to accompany the product. So, that's the only industry specific exception in that statute.

Q: Rep. Ager: In normal circumstances, if a company creates a product, what is the requirement that they stand by this product? It is just 'failure to warn'? Is that all there is?

A: Rep. Penny: We've talked about FIFRA and we've talked about the EPA. And, I've got a lot of experience putting out chemicals before there was even a brand name on the chemical. So, there's years, and years, and years of reach done on a particular chemical and the affect on the environment, whether that's human beings, plant life, wildlife, etc. So, you don't just decide one day I'm going to have a chemical and the next year it's out on the market. It takes years to get there and probably hundreds of millions of dollars of research, to get a chemical to the marketplace. So, to me, that's where the EPA, hopefully they're doing their job. But, we're not talking about any liability back to the people who are supposedly making sure these chemicals are safe for us and telling us based on the label how we can apply and use that chemical, and protect ourselves.

C: Rep. Ager: Obviously, FDA, they do their own research into these pharmaceuticals, and so when the government takes on that responsibility and they do their research, then that liability protection makes some sense. What I worry about is with FIFRA, the EPA does actually do any of that research. They're just dependent upon the companies that sell these things to present them with research. I would ask you to approve this amendment, since we really need to better understand that impact.

Response: Rep. Dixon: As I understand it, the rebuttable presumption is not legal immunity. From my discussions with people (and there will be public comment from those who can speak better), it simply says that if you're going to bring a liability lawsuit on XYZ company for 'failure to warn,' you must produce evidence that proves they have failed to warn. The labeling process is very arduous for these labels. I'll have more to say about this after public comment. But, to have the proposal that you should put on there 'this causes cancer,' after the EPA has spent thousands of hours to produce these labels. The proponents of this provision say that when you purchase one of these products, and it's got the EPA labeling on it, it is a safe if you use the product as you're supposed to. I'll share a few of the calls and texts later on that I've received on this. Most of them (the last was from the NY, the one before that was from KY, and the one before that was from AZ): "Why are you giving chemical companies immunity?" That's offensive. If you oppose this, oppose it with facts, not scare tactics.

C: Rep. Gillespie: I want to elaborate on Rep. Dixon's comments. To me, failure to warn is a label. I want to read something: Approved pesticide label must contain specific information. Product identification, registration information, net contents, registration and establishment numbers, ingredients statement, hazard and precautionary statement, direction of use. Those statements must not be false or misleading. First aid information has to be on that label. Restriction of use statement and EPA evaluation has to be on that label. While I appreciate the amendment, I think that there's sufficient law in place to ensure, if we choose to read it, that we have been warned.

Q: Rep. Moss: Looking at this, it says, "Limit Liability." That's what the sections says; that's the title. And, I'm aware that there's warning labels on these chemicals, because I've used some. And, I'm not an attorney. (We have probably 100 of those in the General Assembly and I'm not one of them.) But, if someone has a case, I'm sure an attorney has to agree to take that case before they go to sue one of these pesticide manufacturers. Why now, after all these years of these chemicals being out are we needed to step and maybe limit some of the liability? The warning labels are on there. If the people purchase the product and they distribute it in a manner that's not safe, or in compliance with the label, then I think that should be a private matter between the attorneys for the person and the attorneys for the company that produces the product. Why are we having to step in and do something that may limit liability?

A: Rep. Dixon: Why now? Why now is because traveling litigators, out of state attorneys, going around the nation suing successful companies with the hope of settling. And, there's been many many settlements that have taken place into the millions of dollars. And, what we're finding out now is that it's at the point where the defendants are not willing to continue settling for the amount of money from these lawsuits. Down in Duplin County, just a few years ago, we experienced that with the lawsuits against our swine farmers. And, we've been raising swine and hogs for a long time. So, specifically to answer 'why now,' the litigation is unbearable and they need some relief. The word limit is in there, but it doesn't say immunity. It simply says, if you're going to bring a lawsuit on 'failure to warn,' bring your evidence with you. I'm not going to say a lot more about that. And, a lot of this takes place in federal courts. When you visit my office the next time, I will show you evidence that deep that we were not allow to bring into the court room. They are suppressing evidence. They are denying the opportunity to present your case. This is why, if the company fails to warn, bring your evidence that shows that and you can litigate them until the cows come home.

C: Rep. Moss: We live in a world of liabilities. Where do we draw the line? Who's going to be next to ask the General Assembly for maybe a little bit of limiting liabilities? And, I understand these products are important to farmers. But, I want to make sure everyone handles their situations in a private manner. I have a hard time with some of the wording and don't feel like it's needs, so I'm supporting the amendment. And, everyone in here can vote their conscience.

C: Rep. Butler: Agree with Rep. Moss. This is for the trial courts, and we have no business putting our thumb on the scale here. People bring their evidence, they're represented by counsel on both sides, and the courts do their work. And, yes, there have been enormous settlements. But, you can't tell me that these companies aren't engaging in 1.8 billion dollar settlements. Dupont did that. We're suffering with Chemours' bad acts down my way, our water situation. Let's let the courts do the thing that they do. Let's not put our finger on the scale. And, I can tell you, evidence is required to win a case, and that is the way we should leave it.

C: Rep. Kidwell: Most of you know I'm not a tree-hugger. I don't get out there on these issues in most cases. I took a position on a PFAS bill because of the way the liability was going to be dealt with, and I didn't feel that we should go backwards and hold somebody liable for something that was legal at that time. Here, it seems to me, we're looking forward and saying we're not going to hold a company liable for a situation. Why are we going to limit the ability of the courts to do this? I'm 64yo in a week. I was raised in a time that they were putting lead in gasoline, and it was approved by the government--found out that was bad for us. I was raised in a home where there was asbestos in the walls and on the pipes, and then they found out that was bad for us. I was raised in a time where some of the companies were making products and people were dying from it, and the federal government allowed it, and state government allowed it and waived liability; and it was bad for us. I was raised during Love Canal, when an entire area was shut down and people to this day cannot live there, because it was polluted by chemicals. I was raised on the bank of the Passaic River in Passaic, NJ. Not a fish, frog, minnow, even the flies wouldn't land on it. Because of chemicals in that water it was rated one of the top, and I think arguably the top, most polluted river in the world. These are all processes and procedures

approved by our government. Teflon, there was a lawsuit on that--the manufacturing process used to create it was killing people around the plant. And, that was approved by the government. Food today, we're just finding out now, only because of RFK, Jr. that a lot of the stuff they're feeding us, they know is no good for us. Artificial dyes in our foods that other countries don't even allow. They know it's no good for you, yet our federal government allows it. So, to say that the government allows, they have a label, they have approved it, means nothing to me. I don't trust our government; that's why I'm here.

We don't need to limit the liability to a company if they're not doing something wrong. Because the courts will flesh it out. I do trust the courts somewhat more than I do the government. To give them a liability waiver after 30 or 40 years, we have to stick this in a bill and run it through to protect somebody. I don't know who. I don't know why. I just don't trust them.

Most recently, the government said, 'trust us! you can take this vaccine.' And, I can tell you from doctors I've spoken to, and the VAERS (Vaccine Adverse Event Reporting System) reports online, and from people I've seen very close to me died who took that product. But, the government said it was okay. No dammit, no!

C: Rep. McNeely: the bad thing was, you had a lot of your people with you not shaking their heads right then.

### **Public Comment**

Public Comment: Marie Mueller (Wake Co. resident born and raised): Raising my children here. These products do not warn of long term health risks. The EPA label says this is what you do if you get it in your eyes or on shoes or clothing; wash your eyes, go see a doctor. No one is getting cancer, non-hodgkins lymphoma, parkinsons, birth defects, or developmental harm in one use. When it comes to farmers using this, you are free to use this. These chemicals are used on our playgrounds, school grounds, parks, everywhere. My children do not consent to these chemicals being sprayed. They should be able to sue.

Public Comment: Stacy Sereno (NC Farm Bureau): we represent the 40,000 NC farmers, and NC Farm Bureau strongly supports section 17. NC farmers suffer from litigation against pesticide manufacturers, because they stand the risk of losing access to the products that they have to have to grow their crops. Litigation and settlement costs are passed along to the farmers resulting in even higher input costs, which keep going up. Some farmers may see this as the pesticide company's problem, but the reality is that the threat to agriculture is much broader. 2x higher input cost for farmers, double the food inflation for consumers, and near total reliance on foreign adversaries for a key agricultural input. We oppose the amendment.

Public Comment: Mindy Sportsman: The only reason these companies have to pay damages is because there is true harm. There is science to backup the harm and they have knowingly withheld this information from consumers. Otherwise, the lawsuits would not be able to be won. These products lack the appropriate warnings to warn consumers about the risk exposure carries. Baer and Monsanto have intentionally suppressed data and not updated their products' labels with this information. If they warned consumers of their products' health risks, they would not be liable in these lawsuits. Section 17 will shield not just glyphosate and Baer but all 15,000 chemicals regulated under FIFRA and all future chemicals in this space and all companies operating in this space, including Chinese military companies like ChemChina. Section 17 grants de facto immunity to all pesticide manufacturers and it opens the door for dangerous chemicals to be brought to the market with de facto immunity. And, the farmers can use their chemicals. We are not against farmers using their chemicals. That is a mute point that is continuously being made. Everybody has the right to use what they want.

Public Comment: Branden Batten (6th generation farmer from Johnston County): Farming is hard enough when we have every tool available at our disposal, and when everything goes perfectly. If we lose any of that, farming profitably becomes nearly impossible. I ask you to reject the amendment. The LD 50, which is a lethal dose of glyphosate is an order of magnitude

less than caffeine. The research has been done. The label is the law. That's what the companies and we are held to. If that's not good enough, then change the law to require the label to be updated.

Public Comment: Karen Raines (Conservative Action Network): In favor of the amendment. The labels and the processes for those labels do not go though do not provide complete and accurate information. I've learned from seasoned immunologists (in the group opposing sections of farm bill), about the devastating affects and that the labels are not warning for the full formulation but only certain ingredients as individual components.

Public Comment: Jimmy Thomas (Thomas Family Farms, Timberlake NC): Trial lawyers have weaponized junk science to sue manufacturers. If we lose glyphosate, we lose ability to control weeds and keep food affordable.

Public Comment: Beth Secosky (Heal NC Co-founder / NC Physicians for Freedom): We represent over 21,000 NC citizens. I'm also speaking on behalf of Diana Lightfoot (NC Physicians for Freedom Director), who couldn't make it because of the short notice. Between our organizations we have numerous experts, including doctors, lawyers, scientists, and farmers who would like to testify about this issue, but they were not given adequate time to be here. There are chemicals that are known to cause cancer, and have been banned in Europe and beyond, that do not include a warning on the label. The litigation is revealing fraud on behalf of these companies. They are not including the proper information on their label. Rebuttal is also a problem; it holds litigants to a higher standard than the companies must provide to the EPA. Why have we been given less than 24hrs?

Public Comment: Peter Daniels, Sr. (NC Ag. Partnership Chair): This provides speed bumps and guardrails on these frivolous lawsuits that are now becoming commonplace. Supports section 17.

Public Comment: Polina Voronsky: 1. It strips North Carolinians of their right to seek justice in court, if they are harmed by toxic pesticides, even when the manufacturer knew the risk. Families suffering from cancer affects and long term illnesses caused by pesticide exposure would be left with no legal recourse, simply because the chemical had an EPA approved label. That's not justice, it's corporate protectionism. 2. The EPA label is not a safety guarantee. It's widely known that the EPA relies heavily on the industry submitted data. It does not test for long term human health. Dangerous substances, like glyphosate and paraquat, were once approved by EPA yet are now subject to scientific concern in public health. Farms are not protected against the lawsuits, but you gonna protect the companies that manufacture them. But, the farmers--they still can be sued, because they are the ones using it.

Cameron Dawson (on behalf of NCDA&CS): In support of section 17, respectfully ask for you to oppose this amendment. It allows our farmers to maintain access to the products that allow them to be productive and profitable on their farms. American Farmland Trust ranks NC #2 in the possibility for farmland loss by the year of 2040. Without these tools and with the increase in costs for NC farmers, it is a real possibility that NC finds its way to the top stop for farmland loss. With many farms across the state are operating with razor thin margins, increased costs, and continued operational increases, it could be detrimental to those farms.

Public Comment: Brian Wilson (Legacy Arrows / regenerative agriculture farmer in Alamance County): I can assure you that I can grow food without chemicals. I'm a prior naval officer, who was kicked out of service over covid, because I wouldn't follow illegal orders from this government. All I've heard today, Mr. Dixon was talking about how he hated fear mongering, but that's all I've heard from the other side. So, I consider it hypocrisy. If I'm going to be sat here today toxifying a planet for my children, being told that our food systems are going to collapse because we don't have chemicals--that's fear mongering. And, it suggests to me that you're barking up the wrong tree and not dealing with the right problems that you should be dealing with in our agricultural systems.

Public Comment: Alyssa Morrissey (NC Chamber Director of Regulatory Affairs): Urging your support of section 17. A manufacturer cannot warn about a risk, if the federal

government does that believe that risk exists. Section 17 recognizes that federal law already thoroughly governs product labels, and the notion of furthering a state by state patchwork of additional product liability standards is both unnecessary and untenable. Without this provision, NC is opening a pathway for companies to be targeted by plaintiff's attorneys by simply complying with federal law. The rigor of EPA requirements cannot be overstated. Attempts to undermine this will increase lawsuits and bigger pockets for plaintiff's attorneys, but will not do anything for farmers' safety. This provision protects an efficient food system, the rule of law, and crop tools. We ask for your support.

Public Comment: Charles Hall (Executive Director of NC Soybean Producers Assoc.): Not in favor of amendment. Fact: European farmers use glyphosate everyday. I've worked on a European farm. I know this is a fact. Fact: as previous speaker stated, a manufacturer cannot put a warning about cancer risk on a pesticide label, when EPA signs this themselves and concluded there is no risk of cancer. It's illegal under FIFRA for them to include such a warning. Fact: pesticide and other crop protection products are very very slow to come to market. The reason this situation is putting our farmers in a crunch is their are crop protection opportunities are dwindling not increasing. We don't see new products every year; we see new products once a decade or every 20 years. When we crunch the manufacturers in the court rooms our farmers lose their opportunities. Thank you.

Public Comment: Nathan Honaker (Connect C representing Agricultural Alliance of NC): The alliance includes the Cotton Growers Cooperative, Cotton Producers Assoc., NC Peanut Growers, NC Sweet Potato Commission, NC State Grange, NC Soybean Producers Assoc., Nutrien, Bayer Crop Sciences, Syngenta, NC Ag. Assoc., Mount Air Farms, Valent, BASF, NC Christmas Tree Assoc., NC Horse Council, Crumpler Plastic Pipe Inc. Each member has an equal vote in our association, and they unanimously voted to support continuing to have Section 17 in the Farm Act. We believe it strikes an appropriate balance between the public's interest and holding companies accountable for their products and the need to protect businesses from frivolous law suits and protect our #1 industry in North Carolina.

Rep. McNeely says he will allow each side a closing argument. Kidwell defers to anyone else that would like to speak; he's already said everything he has to say.

Rep. Moss: One thing I have found from both sides is that it seems to be a federal issue. My question is, why aren't we making the federal government handle it. 2nd question, what other states are trying to take these measures that will actually limit liability to an extent? I ask everyone in this committee to vote your conscience. I'm pro-farming, and I *do not like* the way this reads or feels; so I have to do what's best for me and my constituents. I've had a lot of emails. They're not from California. They're not from Nevada. They're not from anywhere else but North Carolina, and specific to my district a lot of them. So, I'm here as a mouthpiece for my people and I will have to vote my conscience. And, I suggest everyone in this room do the same.

Rep. Dixon: My sentiment is identical with the last statement that Rep. Moss made. I would never stand up here and ask anybody to vote against their conscience. That's why we're sent up here, is to vote our conscience. I don't think I was change anybody's mind. I think folks' minds are set. There's a research firm, Aim Point Research/The Directions Group, and I would encourage you to go to that site. This is relative to NC. The negative affect for this would be if we can't use the herbicides and pesticides, the negative affects to the land and the environment would wipe out the benefit of 36.48 million acres of forest land. The environmental benefits of being able to use glyphosate: enable conservation practices on 53.4 million acres, 22% reduction in sediment loss, 19% reduction in water use for irrigation, 16% reduction in soil erosion from wind, 13% reduction in soil erosion from water. We can't farm without chemicals. Rep. Kidwell did a magnificent job of throwing out about a dozen rabbits that have nothing to do with the issue that we're talking about here. I don't know of any government that would approve of what happened at Love Canal ([https://www.geneseo.edu/history/love\\_canal\\_history](https://www.geneseo.edu/history/love_canal_history)). People abuse it.

Even this regulation here is going to be dependent on how people do. You've heard the testimony from the people out there. I'm ready for a vote.

Rep. McNeely: Hope everyone understands that Kidwell's motion is to delete section 17.

Rep. Dixon: I ask people to vote against that.

Voice vote.

Rep. Butler: calls for division which is sustained.

Representative Kidwell moves for adoption of the amendment. Amendment No. S401-ATQ-76-v-1 is **adopted** by a roll call. 21 Ayes, 13 Noes.

Rep. Dixon moves that the Committee recess.

Chairman McNeely gives 10min recess - meet back at 6:15pm.

Representative Dixon **withdraws** SB 401 from the committee's consideration.

### Adjournment

The meeting stands adjourned at 6:14 PM. For a recording of this meeting, you may contact the legislative library at 919-733-9390 or [audio@ncleg.gov](mailto:audio@ncleg.gov).

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Representative Jeffrey C. McNeely, Co-Chair  
Presiding

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Abigail McKinney, Committee Clerk