

1997

**HOUSE
AGRICULTURE**

MINUTES

HOUSE COMMITTEE ON AGRICULTURE

1997 - 1998 SESSION

**REPRESENTATIVE JOHN W. BROWN
CHAIRMAN**

**ANNA P. KIDD
COMMITTEE CLERK**

**BARBARA RILEY
STAFF COUNSEL**

HOUSE AGRICULTURE COMMITTEE



John W. Brown



James C. Carpenter



Arlie F. Culp



Frank Mitchell



Dewey L. Hill

HOUSE AGRICULTURE COMMITTEE MEMBERS



M. W. "Henry" Aldridge



Rex L. Baker



Charles M. Buchanan



Donald Spencer Davis



Rick L. Eddins



Stan Fox



Thomas C. Hardaway



Foyle Hightower, Jr.



Howard J. Hunter, Jr.

HOUSE AGRICULTURE COMMITTEE MEMBERS



Joe Kiser



Paul Reeves McCrary



Linwood E. Mercer



John M. Nichols



Bill Owens



Dennis Alan Reynolds



Gene Rogers



Ronald L. Smith



Joe Tolson

HOUSE AGRICULTURE COMMITTEE MEMBERS



Cynthia B. Watson



John Hugh Weatherly



Douglas Y. Yongue

HOUSE AGRICULTURE COMMITTEE MEMBERS

EX OFFICIO



Stephen Wood

SPEAKER PRO TEMPORE



Julia Craven Howard

MAJORITY WHIP



N. Leo Daughtry

MAJORITY LEADER

HOUSE AGRICULTURE COMMITTEE
MEMBERSHIP LIST
1997 SESSION

MEMBER (clerk)	TEL.	OFFICE	SEAT
REP. JOHN W. BROWN (CHAIRMAN)	3-5935	1111	1
ANNA P. KIDD (COMMITTEE CLERK)			
REP. CULP, V. CHAIR Wanete Lord	3-5865	1010	62
REP. MITCHELL, V. CHAIR Susan Thomason	3-5959	638	9
REP. CARPENTER, V. CHAIR Kara McGraw	3-5777	537	85
REP. HILL, RANKING MINORITY MEMBER Ginney McCann	3-5830	1309	21
REP. ALDRIDGE Susan Groh	3-5958	533	39
REP. BAKER Jo Hinton	5-3012	418A	50
REP. BUCHANON Shirley Phillips	3-5825	536	4
REP. DAVIS Audrey Johnson	5-3003	419C	89

REP. EDDINS Dorrie Monroe	3-5776	1 219	65
REP. FOX Sue Buehlmann	3-5661	1217	46
REP. HARDAWAY Jan Brooks	3-5530	1017	56
REP. HIGHTOWER Susan Burleson	3-5867	527A	82
REP. H. HUNTER Barbara Phillips	3-2962	613	68
REP. KISER Marilyn Holder	3-5803	1313	86
REP. McCRARY Barbara Berry	3-5780	610	55
REP. MERCER Kevin LeCount	5-2526	1424	60
REP. NICHOLS Bonnie Jones	5-6944	616	66
REP. OWENS Marie Sheets	3-0010	608	22
REP. REYNOLDS Tina Covington	3-5820	533	76
REP. ROGERS Judy Veorse	5-3023	416A	35
REP. SMITH Edna Collar	3-5827	1221	104
REP. TOLSON Gayle Christian	3-5607	609	59
REP. WATSON Eberon Watson	5-3015	417C	19

REP. WEATHERLY
Debbie Puckett

3-5849

503

61

REP. YONGUE
Jeanne Umstead

3-5823

1305

94

BARBARA RILEY
Legal Staff

3-2578

Am

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ATTENDANCE

HOUSE AGRICULTURE COMMITTEE

1997 SESSION

(Name of Committee)

DATES	6/3	6/10
BROWN, JOHN CHAIRMAN	✓	✓
CARPENTER, VICE CHAIR	✓	✓
CULP, VICE CHAIR	✓	✓
MITCHELL, VICE CHAIR	✓	✓
HILL, RANKING M. MEMBER	✓	✓
ALDRIDGE	✓	✓
BAKER	✓	✓
BUCHANAN	✓	✓
DAVIS	✓	E
EDDINS	✓	✓
KISER		X
NICHOLS	✓	X
REYNOLDS	✓	✓
WATSON	✓	✓
WEATHERLY		X
FOX	✓	✓
McCRARY	✓	✓
MERCER	✓	X
OWENS	✓	✓
ROGERS	✓	✓
SMITH	✓	✓
TOLSON	✓	✓
HARDAWAY		X
YONGUE	✓	✓
HIGHTOWER		✓
HUNTER, H.	✓	X
RILEY, BARBARA	✓	✓
KIDD, ANNA	✓	X

NORTH CAROLINA GENERAL ASSEMBLY
COMMITTEE SUMMARY REPORT

HOUSE: AGRICULTURE

Valid Through 9-SEP-1997

1997-98 Regular Session

BILL	INTRODUCER	SHORT TITLE	LATEST ACTION ON BILL	IN DATE	OUT DATE
H 61=	BROWN	GS 106 OBSOLETE LAWS	*R -CH. SL 97-0074	02-05-97	02-25-97
H 96	DICKSON	INTANGIBLES TAX REMEDY	*R -CH. SL 97-0318	02-11-97	02-25-97
H 210=	BROWN	AG DEPT. NAME CHANGE	*R -CH. SL 97-0261	02-17-97	02-25-97
H 238=	MITCHELL	FACILITATE ANIMAL WASTE RESEARCH	*H -REF TO COM ON RULES	02-17-97	03-11-97
H 240=	MITCHELL	REMOVE ODOR CONTROL STUDY MATCH	*S -REF TO COM ON APPROP	02-17-97	02-25-97
H 357	MITCHELL	GENERAL ANIMAL WASTE PERMITS	*H -RE-REF COM ON FINANCE	04-24-97	04-29-97
H 357	MITCHELL	GENERAL ANIMAL WASTE PERMITS	*H -RE-REF COM ON FINANCE	04-30-97	04-30-97
H 409=	YONGUE	AGRICULTURAL EMPLOYER APPEALS	R -CH. SL 97-0035	03-06-97	03-18-97
H 457	WEATHERLY	AMEND FOREST DEVELOPMENT ACT	*R -CH. SL 97-0352	03-10-97	04-02-97
H 463	OWENS	FARM PRODUCTS WEIGHT EXEMPTION	*R -CH. SL 97-0354	03-10-97	04-02-97
H 935	BEALL	PROMOTE LLAMA BREEDING	R -CH. SL 97-0084	04-14-97	04-22-97
H 980=	HARDY	CROP ALLOTMENT TAX APPRAISAL	*H -RE-REF COM ON FINANCE	04-17-97	06-11-97
H 998=	BROWN	SOUTHERN DAIRY COMPACT	S -RE-REF COM ON APPROP	04-17-97	05-27-97
H 999	ROGERS	SOIL & WATER COMMISSION/INSPECTIONS	*R -CH. SL 97-0173	04-17-97	04-23-97
H1015=	RUSSELL	CROP ALLOTMENT TAX APPRAISAL	H -REF TO COM ON AGRICULT	04-21-97	
H1037	ARNOLD	SALE OF CERTAIN EXOTIC MEATS	*S -REF TO COM ON AGRICUL&	04-21-97	04-29-97
H1037	ARNOLD	SALE OF CERTAIN EXOTIC MEATS	*S -REF TO COM ON AGRICUL&	04-30-97	04-30-97
H1043=	BROWN	FARM ENVIRONMENTAL COMPLIANCE FUND	H -RE-REF COM ON APPROP	04-21-97	04-29-97
H1055=	RUSSELL	ARBITRATION OF SEED CLAIMS	*H -RE-REF COM ON FINANCE	04-21-97	06-04-97
H1092=	CREECH	REDUCE FARM/INDUSTRY FUEL TAX	*H -RE-REF COM ON FINANCE	04-21-97	05-07-97
H1120=	MCCOMAS	PRESCRIBED BURNING IN FORESTS	*S -REF TO COM ON AGRICUL&	04-21-97	04-22-97
H1151	ARNOLD	EASTERN NC LIVESTOCK ARENA FUNDS-2	H -ASSIGNED TO APP-CAP	04-22-97	05-14-97
H1193	BROWN	AGRICULTURAL FAIRS COMMITTEE/FUNDS	H -RE-REF COM ON APPROP	05-01-97	05-13-97
S 172	ALBERTSON	NO SAFETY COURSE/DISABLED HUNTERS	*R -CH. SL 97-0365	03-27-97	04-16-97
S 266	LEDBETTER	PRODUCTION AND SALE OF RED DEER	*R -CH. SL 97-0142	04-16-97	05-07-97
S 508	PLYLER	TURKEY GROWER USE VALUE EXCEPTION	*R -CH. SL 97-0272	05-13-97	05-27-97

NOTES- = AFTER BILL NUMBER SHOWS THAT BILL IS IDENTICAL, AS INTRODUCED, TO ANOTHER BILL.

* AFTER NUMBERS INDICATES THAT TEXT OF BILL WAS ALTERED BY ACTION ON THE BILL.

BOLDDED LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

Committee

Agriculture House

Date Received	House Bill	Senate Bill	Short Title	Action Taken	Date
2-5	61		65 106 Obsolete Laws	Law as Amended	2/25
2-11	96		Livestock Med Supplies Exempt	Law as Am/Finance	2/25
2-17	210		Accepted Name Change	Law	2/25
2-17	238		Facilitate Animal Waste Res.		
2-17	240		Remove Order Control Study Match	Law	2/25
~~2-17~~					
~~2-17~~	238		Facilitate Animal Waste Mat Removal	Law as Am/Finance	3-11
	409		Agricultural Employer Appeals/AB	Law	3-18
4/1	457		Amend Forest Waters Act/AB		
	463		Faras Products Weight Exempt		
4/15		172	House Com Sub, Ref as to arg Bee		
			Reg on HCS be ref to G I		4/15
4/22	935		Promote Llama Breeding	Law	4/22
4/22	1120		Preserved Berry in Forest	Law + ref to G I	4/22
4/22	999		Soil & Water Conservation/Int	Law as amended/G II	4/22
4/29	357			Law as am	
	1034			Law as am	
	1043			Law + ref to App	4/29
4/29	357		Com Sub General Animal Waste	Law Com Sub in Org	
	1037		Com Sub Sale of Exotic Meats	Law Com Sub Tillchay P.M.	
5/13	1193		Agricultural Fairs	Law Rep App	5/13
5/27		508	Turkey	Law Rep App	
	998		Southern Dairy Pro Compact	Law Rep App	
5/6		266	Red Deer	Law	
	1092		Fixed Gas	Law Com Sub under Bill	
				every Law	

Committee

[illegible]

2/25/97

BILL ACTION WORKSHEET FOR COMMITTEE MEETINGS

Bill	<u>HB 61</u>	Sponsor	<u>Brown</u>
Favorable	<u>✓</u>	Motion by	<u>Baker</u>
Unfavorable		Motion by	
Amended	<u>✓</u>	Motion by	<u>Culp</u>
Comm. Sub.		Motion by	
Original Bill			
Re-referred		Motion by	
Other Action			

Bill	<u>HB 96</u>	Sponsor	<u>Heckson</u>
Favorable	<u>✓</u>	Motion by	
Unfavorable		Motion by	
Amended	<u>✓</u>	Motion by	<u>Hill</u>
Comm. Sub.		Motion by	
Original Bill			
Re-referred	<u>Finance</u>	Motion by	
Other Action			

Bill	<u>HB 210</u>	Sponsor	<u>Brown</u>
Favorable	<u>✓</u>	Motion by	<u>Hill</u>
Unfavorable		Motion by	
Amended		Motion by	
Comm. Sub.		Motion by	
Original Bill			
Re-referred		Motion by	
Other Action			

Bill	<u>HB 240</u>	Sponsor	<u>Mitchell</u>
Favorable	<u>✓</u>	Motion by	<u>Nichols</u>
Unfavorable		Motion by	
Amended		Motion by	
Comm. Sub.		Motion by	
Original Bill			
Re-referred		Motion by	
Other Action			

3/18/97

BILL ACTION WORKSHEET FOR COMMITTEE MEETINGS

Bill	<u>HB 409</u>	Sponsor	<u>Yon-Jae</u>
Favorable	<u>✓</u>	Motion by	<u>Baker</u>
Unfavorable		Motion by	
Amended		Motion by	
Comm. Sub.		Motion by	
Original Bill			
Re-referred		Motion by	
Other Action			

Bill		Sponsor	
Favorable		Motion by	
Unfavorable		Motion by	
Amended		Motion by	
Comm. Sub.		Motion by	
Original Bill			
Re-referred		Motion by	
Other Action			

Bill		Sponsor	
Favorable		Motion by	
Unfavorable		Motion by	
Amended		Motion by	
Comm. Sub.		Motion by	
Original Bill			
Re-referred		Motion by	
Other Action			

Bill		Sponsor	
Favorable		Motion by	
Unfavorable		Motion by	
Amended		Motion by	
Comm. Sub.		Motion by	
Original Bill			
Re-referred		Motion by	
Other Action			

4/22

BILL ACTION WORKSHEET FOR COMMITTEE MEETINGS

Bill	<u>HB 935</u>	Sponsor	<u>Beall</u>
Favorable	<u>✓</u>	Motion by	<u>Lightner</u>
Unfavorable		Motion by	
Amended		Motion by	
Comm. Sub.		Motion by	
Original Bill			
Re-referred		Motion by	
Other Action			

Bill	<u>HB 1120</u>	Sponsor	<u>McComas</u>
Favorable	<u>✓</u>	Motion by	
Unfavorable		Motion by	
Amended		Motion by	
Comm. Sub.		Motion by	
Original Bill			
Re-referred	<u>✓</u> <u>GI</u>	Motion by	
Other Action			

Bill	<u>HB 999</u>	Sponsor	<u>Rogers</u>
Favorable	<u>✓</u>	Motion by	
Unfavorable		Motion by	<u>Buckner</u>
Amended	<u>✓</u>	Motion by	
Comm. Sub.		Motion by	
Original Bill			
Re-referred	<u>✓</u>	Motion by	<u>J. TL</u>
Other Action			

Bill		Sponsor	
Favorable		Motion by	
Unfavorable		Motion by	
Amended		Motion by	
Comm. Sub.		Motion by	
Original Bill			
Re-referred		Motion by	
Other Action			

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 61 A BILL TO BE ENTITLED AN ACT TO REPEAL OBSOLETE SECTIONS OF
CHAPTER 106 OF THE NORTH CAROLINA GENERAL STATUTES.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐ .

☒ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 61

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

H61-ARF-245-97d

Date _____, 1997

Comm. Sub. ☐
Amends Title ☐

1 moves to amend the bill on page 1, lines 15 - 18 by rewriting those
2 lines to read:
3
4 "Section 11. G.S. 106-436 through G.S. 106-451.1 are repealed.;
5 and
6
7 further amends the bill by renumbering the remaining section
8 accordingly".

SIGNED *Julie Hugg*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 61*

Short Title: Proposed Changes/Chapter 106.

(Public)

Sponsors: Representatives Brown; Culp and Hill.

Referred to: Agriculture.

February 5, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO REPEAL OBSOLETE SECTIONS OF CHAPTER 106 OF THE
3 NORTH CAROLINA GENERAL STATUTES.
4 The General Assembly of North Carolina enacts:
5 Section 1. G.S. 106-5 is repealed.
6 Section 2. G.S. 106-9 is repealed.
7 Section 3. G.S. 106-12 is repealed.
8 Section 4. G.S. 106-13 is repealed.
9 Section 5. G.S. 106-15, 106-16, 106-17, and 106-18 are repealed.
10 Section 6. G.S. 106-19 is repealed.
11 Section 7. G.S. 106-21 is repealed.
12 Section 8. Article 15 of Chapter 106 of the General Statutes is repealed.
13 Section 9. G.S. 106-197 is repealed.
14 Section 10. G.S. 106-429.1 through G.S. 106-434 are repealed.
15 Section 11. G.S. 106-432.1 is repealed.
16 Section 12. G.S. 106-436 is repealed.
17 Section 13. G.S. 106-450.1 is repealed.
18 Section 14. G.S. 106-451.1 is repealed.
19 Section 15. This act is effective when it becomes law.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 96 A BILL TO BE ENTITLED AN ACT TO EXPAND THE SALES TAX
EXEMPTION FOR MEDICINE USED ON LIVESTOCK AND POULTRY TO INCLUDE
VETERINARY SUPPLIES.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐ .

☐ With a favorable report, as amended.

☒ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☒ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 96

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

H96-ARF-246-97d

Date _____, 1997

Comm. Sub. [☐
Amends Title [☐

- 1 moves to amend the bill on page 1, line 6,
2 by deleting the term "onanimals" and substituting the phrase "on
3 animals".

SIGNED *Oliver H. H. H.*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 96

Short Title: Livestock Medical Supplies Exempt.

(Public)

Sponsors: Representatives Dickson; Culp, Mitchell, Rayfield, Smith, and Yongue.

Referred to: Agriculture, if favorable, Finance.

February 11, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO EXPAND THE SALES TAX EXEMPTION FOR MEDICINE USED
3 ON LIVESTOCK AND POULTRY TO INCLUDE VETERINARY SUPPLIES.
4 The General Assembly of North Carolina enacts:
5 Section 1. G.S. 105-164.13(2a) reads as rewritten:
6 "(2a) Any of the following when purchased for use on animals or plants,
7 as appropriate, held or produced for commercial purposes:
8 a. Remedies, vaccines, medications, veterinary supplies and
9 equipment, litter materials, and feeds for animals.
10 b. Rodenticides, insecticides, herbicides, fungicides, and
11 pesticides.
12 c. Defoliants for use on cotton or other crops.
13 d. Plant growth inhibitors, regulators, or stimulators, including
14 systemic and contact or other sucker control agents for
15 tobacco and other crops."
16 Section 2. This act becomes effective July 1, 1997, and applies to sales
17 made on or after that date.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

- ☐ Committee Substitute for
H.B. 210 A BILL TO BE ENTITLED AN ACT TO CHANGE THE NAME OF THE
NORTH CAROLINA DEPARTMENT OF AGRICULTURE TO THE NORTH CAROLINA
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES.
- ☒ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐.
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 210*

Short Title: Ag Dept. Name Change.

(Public)

Sponsors: Representatives Brown; and Yongue.

Referred to: Agriculture.

February 17, 1997

A BILL TO BE ENTITLED

AN ACT TO CHANGE THE NAME OF THE NORTH CAROLINA
DEPARTMENT OF AGRICULTURE TO THE NORTH CAROLINA
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 19A-22 reads as rewritten:

"§ 19A-22. Animal Welfare Section in Animal Health Division of Department of
Agriculture created; Director.

There is hereby created within the Animal Health Division of the North Carolina
Department of ~~Agriculture~~, Agriculture and Consumer Services, a new section
thereof, to be known as the Animal Welfare Section of said division.

The Commissioner of Agriculture is hereby authorized to appoint a Director of
said section whose duties and authority shall be determined by the Commissioner
subject to the approval of the Board of Agriculture and subject to the provisions of
this Article.

Section 2. G.S. 19A-23(8) reads as rewritten:

"(8) 'Director' means the Director of the Animal Welfare Section of
the Animal Health Division of the Department of ~~Agriculture~~.
Agriculture and Consumer Services."

Section 3. G.S. 62-102(b)(6) reads as rewritten:

"(6) The Department of ~~Agriculture~~, Agriculture and Consumer
Services."

Section 4. G.S. 66-58(b)(2) reads as rewritten:

"(2) The Department of Human Resources, the Department of Environment, Health, and Natural Resources, or the Department of Agriculture and Consumer Services for the sale of serums, vaccines, and other like products."

Section 5. G.S. 66-58(b)(13b) reads as rewritten:

"(13b) The Department of Agriculture and Consumer Services with regard to its lessees at farmers' markets operated by the Department."

Section 6. G.S. 66-58(c)(7) and (8) read as rewritten:

"(7) The operation by penal, correctional or facilities operated by the Department of Human Resources or by the ~~State~~ Department of ~~Agriculture~~, Agriculture and Consumer Services, of dining rooms for the inmates or clients or members of the staff while on duty and for the accommodation of persons visiting such inmates or clients, and other bona fide visitors.

(8) The sale by the Department of Agriculture and Consumer Services of livestock, poultry and publications in keeping with its present livestock and farm program."

Section 7. G.S. 81A-9(2) reads as rewritten:

"(2) Authorized Agent. -- An 'authorized agent' is any employee of the North Carolina Department of Agriculture and Consumer Services designated by the Commissioner to enforce any provisions of this Chapter and who is designated by an official identification card issued by the Commissioner."

Section 8. G.S. 81A-29 reads as rewritten:

"§ 81A-29. Offenses and penalties.

Any person who violates any provision of this section or any provision of this Chapter or regulations promulgated pursuant thereto for which a specific penalty has not been prescribed shall be guilty of a Class 2 misdemeanor upon a first conviction. Upon a subsequent conviction thereof, said person shall be guilty of a Class 1 misdemeanor. No person shall:

- (1) Use or have in possession for use in commerce any incorrect weight or measure.
- (2) Remove any tag, seal, or mark from any weight or measure without specific written authorization from the Commissioner or his authorized agent.
- (3) Hinder or obstruct any weights-and-measures official in the performance of his duties.
- (4) Impersonate in any way any employee of the North Carolina Department of Agriculture and Consumer Services designated by the Commissioner to enforce any part of this Chapter.
- (5) Use in retail trade, except in the preparation of packages put up in advance of sale, a weighing or measuring device which is not so positioned so that its indications may be accurately read and

1 the weighing or measuring operation observed from some
2 position which may be reasonably assumed by a customer.

3 (6) Manufacture, use or possess a counterfeit seal, tag, mark,
4 certificate, label or decal representing, imitating or copying the
5 same issued by the Commissioner under this Chapter."

6 Section 9. G.S. 81A-51(3) reads as rewritten:

7 "(3) 'Department' means the North Carolina Department of
8 ~~Agriculture~~ Agriculture and Consumer Services."

9 Section 10. G.S. 81A-71 reads as rewritten:

10 "§ 81A-71. Prerequisites for scale technician. It shall be unlawful for any scale
11 technician to render service as a scale technician until after he or she has compiled
12 with the following requirements:

13 (1) Obtained from the Department of Agriculture and Consumer
14 Services a copy of this Article, a copy of regulations pertinent to
15 said Article, and an application form for registration.

16 (2) to (4) Repealed by Session Laws 1983, c. 111, s. 2, effective July 1,
17 1983.

18 (5) Obtained a registration card or certificate from the Commissioner
19 or his authorized agent and a model form of service certificate.

20 (6) Obtained from the Department an annual certification of the
21 standards of weight which will be used by the scale technician.

22 The provisions of this Article shall not apply to a full-time employee who renders
23 service only on a scale or weighing device, or on scales or weighing devices, owned
24 solely by his or her employer unless additional pay or compensation is received for
25 such service."

26 Section 11. G.S. 90-187.10(10) reads as rewritten:

27 "(10) Any person employed by the North Carolina Department of
28 Agriculture and Consumer Services as a livestock inspector or by
29 the U.S. Department of Agriculture as an animal health
30 technician from performing regular duties assigned to him or her
31 during the course and scope of that person's employment."

32 Section 12. G.S. 105-130.37(b)(2) reads as rewritten:

33 "(2) 'Market price' means the season average price of the crop as
34 determined by the North Carolina Crop and Livestock Reporting
35 Service in the Department of ~~Agriculture~~ Agriculture and
36 Consumer Services, or the average price of the crop in the
37 nearest local market for the month in which the crop is gleaned if
38 the Crop and Livestock Reporting Service does not determine the
39 season average price for that crop; and".

40 Section 13. G.S. 105-151.14(b)(2) reads as rewritten:

41 "(2) 'Market price' means the season average price of the crop as
42 determined by the North Carolina Crop and Livestock Reporting
43 Service in the Department of ~~Agriculture~~ Agriculture and
44 Consumer Services, or the average price of the crop in the

1 nearest local market for the month in which the crop is gleaned if
2 the Crop and Livestock Reporting Service does not determine the
3 season average price for that crop; and".

4 Section 14. G.S. 105-259(b)(14) reads as rewritten:

5 "(14) To exchange information concerning a tax imposed by
6 Subchapter V of this Chapter with the Standards Division of the
7 Department of Agriculture and Consumer Services when the
8 information is needed to administer the Gasoline and Oil
9 Inspection Act, Article 3 of Chapter 119 of the General Statutes."

10 Section 15. The Title to Article 1 of Chapter 106 reads as rewritten:

11 "ARTICLE 1.

12 Department of ~~Agriculture~~: Agriculture and Consumer Services."

13 Section 16. G.S. 106-2 reads as rewritten:

14 "§ 106-2. Department of Agriculture and Consumer Services established; Board of
15 Agriculture, membership, terms of office, etc.

16 The Department of Agriculture and Consumer Services is created and established
17 and shall be under the control of the Commissioner of Agriculture, with the consent
18 and advice of a board to be styled "The Board of Agriculture." The Board of
19 Agriculture shall consist of the Commissioner of Agriculture, who shall be ex officio
20 a member and chairman thereof and shall preside at all meetings, and of 10 other
21 members from the State at large, so distributed as to reasonably represent the
22 different sections and agriculture of the State. In the appointment of the members of
23 the Board the Governor shall also take into consideration the different agricultural
24 interests of the State, and shall appoint one member who shall be a practical tobacco
25 farmer to represent the tobacco farming interest, one who shall be a practical cotton
26 grower to represent the cotton interest, one who shall be a practical truck farmer or
27 general farmer to represent the truck and general farming interest, one who shall be a
28 practical dairy farmer to represent the dairy and livestock interest of the State, one
29 who shall be a practical poultryman to represent the poultry interest of the State, one
30 who shall be a practical peanut grower to represent the peanut interests, one who
31 shall be experienced in marketing to represent the marketing of products of the State.
32 The members of such Board shall be appointed by the Governor by and with the
33 consent of the Senate, when the terms of the incumbents respectively expire. The
34 term of office of such members shall be six years and until their successors are duly
35 appointed and qualified. The terms of office of the five members constituting the
36 present Board of Agriculture shall continue for the time for which they were
37 appointed. In making appointments for the enlarged Board of Agriculture, the
38 Governor shall make the appointments so that the term of three members will be for
39 two years, three for four and four for six years. Thereafter the appointments shall be
40 made for six years. Vacancies in such Board shall be filled by the Governor for the
41 unexpired term. The Commissioner of Agriculture and the members of the Board of
42 Agriculture shall be practical farmers engaged in their profession."

43 Section 17. G.S. 106-17 reads as rewritten:

44 "§ 106-17. Acquisition of research farm.

1 The Department of Agriculture and Consumer Services is hereby authorized and
2 empowered to acquire by purchase, gift, donation, or lease, a tract or boundary of
3 land of not less than 100 acres in the sandhill section of North Carolina, and in
4 northeastern North Carolina composed of the Counties of Camden, Chowan,
5 Currituck, Gates, Pasquotank and Perquimans, to be developed and used as a
6 'research farm' for the purposes of work in investigation in agriculture.

7 Such 'research farm' when acquired and established shall be operated, managed
8 and controlled as other 'research farms' in the State."

9 Section 18. G.S. 106-18 reads as rewritten:

10 **"§ 106-18. Peanut research farm.**

11 The Department of Agriculture and Consumer Services is hereby authorized and
12 directed to purchase, establish and operate a research farm in some suitable place in
13 the peanut section of eastern North Carolina for the purpose of studying the growing
14 of peanuts, looking toward the improvement of seed, fertilizer, the control of disease,
15 through experiments, and such other matters pertaining to the growth and
16 improvement of the quality of peanuts. The said research farm to be purchased and
17 established in time for operation not later than January 1, 1938. In doing this work
18 the Department of Agriculture is authorized to make such reasonable expenditures
19 for establishing and operating such peanut research farm as may be necessary for its
20 proper conduct and in the same way as is now being done for the other research
21 farms in the State. The research farm shall be established, operated and controlled by
22 the Department of Agriculture as the other research farms for the study of other farm
23 crops."

24 Section 19. G.S. 106-19 reads as rewritten:

25 **"§ 106-19. State Chemist; duties of office.**

26 The Department of Agriculture and Consumer Services shall employ an analyst or
27 State Chemist skilled in agricultural chemistry, and such assistants as may be
28 necessary. It shall be the duty of the State Chemist to analyze such fertilizers and
29 products as may be required by this Department, and to aid as far as practicable in
30 suppressing fraud in the sale of commercial fertilizers. He shall also, under the
31 direction of the Department, analyze for citizens of the State such samples of ores,
32 minerals, mineral and potable waters, soils, marls and phosphates as may be deemed
33 by the Department of benefit to the development of the material interest of the State,
34 when such samples are supplied under rules by the Department, and he shall carry
35 on such other investigations as the Department may direct. He shall make regular
36 reports to the Department of all analyses, assays, and experiments made, which shall
37 be furnished when deemed needful to such newspapers as will publish the same."

38 Section 20. G.S. 106-21 reads as rewritten:

39 **"§ 106-21. Timber conditions to be investigated and reported.**

40 The Department of Agriculture and Consumer Services shall investigate and report
41 upon the conditions of the timber in North Carolina, and recommend such legislation
42 as will promote the growth thereof and preserve the same."

43 Section 21. G.S. 106-21.1 reads as rewritten:

44 **"§ 106-21.1. Feed Advisory Service; fee.**

1 The Department of Agriculture and Consumer Services shall operate a Feed
2 Advisory Service for the analysis of animal feeds in order to provide a feeding
3 management service to all animal producers in North Carolina. A fee of ten dollars
4 (\$10.00) shall accompany each feed sample sent to the Department for testing. A fee
5 of seventy-five dollars (\$75.00) shall accompany each feed sample which is to be
6 tested for the presence of fumonisin."

7 Section 22. G.S. 106-21.2 reads as rewritten:

8 "**§ 106-21.2. Food Bank information and referral service.**

9 The Department of Agriculture and Consumer Services may maintain an
10 information and referral service for persons and organizations that have notified the
11 department of their desire to donate food to a nonprofit organization or a nonprofit
12 corporation."

13 Section 23. G.S. 106-22.1 reads as rewritten:

14 "**§ 106-22.1. State farms.** State-owned farmland, including timberland, allocated to
15 the Department of Agriculture and Consumer Services for the State Farm Program,
16 shall be managed by the Department for research, teaching, and demonstration in
17 agriculture, forestry, and aquaculture. Research projects on the State farms shall be
18 approved by the Department. The Department may sell surplus commodities
19 produced on the farms."

20 Section 24. G.S. 106-22.2 reads as rewritten:

21 "**§ 106-22.2. Museum of Natural Sciences; Maritime Museum; disposition of objects.**

22 Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4),
23 or any other law pertaining to surplus State property, the Department of Agriculture
24 and Consumer Services may sell or exchange any object from the collections of the
25 Museum of Natural Sciences and the Maritime Museum when it would be in the best
26 interests of the Museums to do so. Sales or exchanges shall be conducted in
27 accordance with generally accepted practices for accredited museums. If an object is
28 sold, the net proceeds of the sale shall be deposited in the State treasury to the credit
29 of a special fund to be used for the improvement of the Museums' collections or
30 exhibits."

31 Section 25. G.S. 106-24 reads as rewritten:

32 "**§ 106-24. Collection and publication of information relating to agriculture;**
33 **cooperation.**

34 The Department of Agriculture and Consumer Services shall collect, compile,
35 systematize, tabulate, and publish statistical information relating to agriculture. The
36 Department is authorized to use sample surveys to collect primary data relating to
37 agriculture. The Department is authorized to cooperate with the United States
38 Department of Agriculture and the several boards of county commissioners of the
39 State, to accomplish the purpose of this Part."

40 Section 26. G.S. 106-24.1 reads as rewritten:

41 "**§ 106-24.1. Confidentiality of information collected and published.**

42 All information published by the Department of Agriculture and Consumer
43 Services pursuant to this Part shall be classified so as to prevent the identification of
44 information received from individual farm operators. All information received

1 pursuant to this Part from individual farm operators shall be held confidential by the
2 Department and its employees. Information collected by the Department from
3 individual farm operators for the purposes of its animal health programs may be
4 disclosed by the State Veterinarian when, in his judgment, the disclosure will assist in
5 the implementation of these programs."

6 Section 27. G.S. 106-65.23 reads as rewritten:

7 "**§ 106-65.23. Structural Pest Control Division of Department of Agriculture and**
8 **Consumer Services recreated; Director; Structural Pest Control Committee created;**
9 **appointment; terms; quorum.**

10 There is hereby recreated, within the North Carolina Department of ~~Agriculture,~~
11 Agriculture and Consumer Services, a Division thereof, to be known as the Structural
12 Pest Control Division of said Department. The Commissioner of Agriculture is
13 hereby authorized to appoint a Director of said Division whose duties and authority
14 shall be determined by the Commissioner. Said Director shall act as secretary to the
15 Structural Pest Control Committee herein created.

16 There is hereby created a Structural Pest Control Committee to be composed of
17 the following members. The Commissioner shall appoint one member of the
18 Committee who is not in the structural pest control business for a four-year term.
19 The Commissioner of Agriculture shall designate an employee of the Department of
20 Agriculture and Consumer Services to serve on said Committee at the pleasure of the
21 Commissioner. The dean of the School of Agriculture of North Carolina State
22 University at Raleigh shall appoint one member of the Committee who shall serve for
23 one term of two years and who shall be a member of the entomology faculty of said
24 University. The vacancy occurring on the Committee by the expired term of the
25 member from the entomology faculty of said University shall be filled by the dean of
26 the School of Agriculture of North Carolina State University at Raleigh who shall
27 designate any person of his choice from the entomology faculty of said University to
28 serve on said Committee at the pleasure of the dean. The Secretary of Environment,
29 Health, and Natural Resources shall appoint one member of the Committee who shall
30 be an epidemiologist in the Division of Health Services and who shall serve at the
31 pleasure of the Secretary. The Governor shall appoint two members of said
32 Committee who are actively engaged in the pest control industry, who are licensed in
33 at least two phases of structural pest control as provided under G.S. 106-65.25(a), and
34 who are residents of the State of North Carolina but not affiliates of the same
35 company. The initial Committee members from the pest control industry shall be
36 appointed as follows: one for a two-year term and one for a three-year term. The
37 Governor shall appoint one member of the Committee who is a public member and
38 who is unaffiliated with the structural pest control industry, the pesticide industry, the
39 Department of ~~Agriculture,~~ Agriculture and Consumer Services, the Department of
40 Environment, Health, and Natural Resources and the School of Agriculture at North
41 Carolina State University at Raleigh. The initial public member shall be appointed
42 for a term of two years, commencing July 1, 1991. After the initial appointments by
43 the Governor, all ensuing appointments by the Governor shall be for terms of four
44 years. Any vacancy occurring on the Committee by reason of death, resignation, or

1 otherwise shall be filled by the Governor or the Commissioner of Agriculture, as the
2 case may be, for the unexpired term of the member whose seat is vacant. A member
3 of the Committee appointed by the Governor shall not succeed himself.

4 The Committee shall make final decisions under this Article concerning licenses,
5 certified applicator cards, and identification cards. The Committee shall report
6 annually to the Board of Agriculture the action taken in the Committee's final
7 decisions and the financial status of the Structural Pest Control Division.

8 The Director shall be responsible for and answerable to the Commissioner of
9 Agriculture as to the operation and conduct of the Structural Pest Control Division.

10 Each member of the Committee who is not an employee of the State shall receive
11 as compensation for services per diem and necessary travel expenses and registration
12 fees in accordance with the provisions as outlined for members of occupational
13 licensing boards and currently provided for in G.S. 93B-5. Such per diem and
14 necessary travel expenses and registration fees shall apply to the same effect that G.S.
15 93B-5 might hereafter be amended.

16 Four members of the Committee shall constitute a quorum but no action at any
17 meeting of the Committee shall be taken without four votes in accord. The chairman
18 shall be entitled to vote at all times.

19 The Committee shall meet at such times and such places in North Carolina as the
20 chairman shall direct; provided, however, that four members of the Committee may
21 call a special meeting of the Committee on five days' notice to the other members
22 thereof.

23 Except as otherwise provided herein, all members of the Committee shall be
24 appointed or designated, as the case may be, prior to and shall commence their
25 respective terms on July 1, 1967.

26 At the first meeting of the Committee they shall elect a chairman who shall serve
27 as such at the pleasure of the Committee."

28 Section 28. G.S. 106-65.24(8a) reads as rewritten:

29 "(8a) 'Director' means the Director of the Structural Pest Control
30 Division of the Department of ~~Agriculture~~. Agriculture and
31 Consumer Services."

32 Section 29. G.S. 106-65.24(9a) reads as rewritten:

33 "(9a) 'Enforcement agency' means the Structural Pest Control Division
34 of the Department of ~~Agriculture~~. Agriculture and Consumer
35 Services."

36 Section 30. G.S. 106-65.44(4) reads as rewritten:

37 "(4) The term 'Division of Entomology' means the Division of the
38 Department of Agriculture ~~so named~~. and Consumer Services."

39 Section 31. G.S. 106-65.69(3) reads as rewritten:

40 "(3) Commissioner. -- The Commissioner of ~~the Department of~~
41 Agriculture of this State or any officer or employee of ~~said the~~ the
42 Department of Agriculture and Consumer Services or designated
43 cooperator to whom authority to act in his stead has been or
44 hereafter may be delegated."

1 Section 32. G.S. 106-121(2) reads as rewritten:

2 "(2) The term 'Commissioner' means the Commissioner of
3 Agriculture; the term 'Department' means the Department of
4 ~~Agriculture~~; Agriculture and Consumer Services, and the term
5 'Board' means the Board of Agriculture."

6 Section 33. G.S. 106-134(8) reads as rewritten:

7 "(8) If it has been found by the Department of Agriculture and
8 Consumer Services to be a drug liable to deterioration, unless it is
9 packaged in such form and manner, and its label bears a
10 statement of such precautions, as the Board of Agriculture shall
11 by regulations require as necessary for the protection of public
12 health. No such regulation shall be established for any drug
13 recognized in an official compendium until the Commissioner of
14 Agriculture shall have informed the appropriate body charged
15 with the revision of such compendium of the need for such
16 packaging or labeling requirements and such body shall have
17 failed within a reasonable time to prescribe such requirements."

18 Section 34. G.S. 106-141.1 reads as rewritten:

19 "§ 106-141.1. Inspections of donated food. (a) The Department of Agriculture and
20 Consumer Services is authorized to inspect for compliance with the provisions of
21 Article 12 of Chapter 106 of the North Carolina General Statutes, food items donated
22 for use or distribution by nonprofit organizations or nonprofit corporations, and may
23 establish procedures for the handling of the food items, including reporting
24 procedures concerning the donation of food.

25 (b) The Department of Agriculture and Consumer Services may apply to Superior
26 Court for injunctive relief restraining the violation of this section.

27 (c) Nothing in this section shall limit the duties or responsibilities of the
28 Commission for Health Services or the local boards of health."

29 Section 35. G.S. 106-145.2(5) reads as rewritten:

30 "(5) Department. -- The Department of ~~Agriculture~~; Agriculture and
31 Consumer Services."

32 Section 36. G.S. 106-185(a) reads as rewritten:

33 "(a) Scope. -- This Article gives the Department of Agriculture and Consumer
34 Services the authority to investigate marketing conditions for and establish and
35 maintain standard grades, packages, and State brands for farm products. As used in
36 this Article, the term 'farm products' means farm crops, horticultural crops, and
37 animal products."

38 Section 37. G.S. 106-202.14(a) reads as rewritten:

39 "(a) The North Carolina Plant Conservation Board is created within the
40 Department of ~~Agriculture~~; Agriculture and Consumer Services."

41 Section 38. G.S. 106-202.14(b)(6) reads as rewritten:

42 "(6) The Department of ~~Agriculture~~; Agriculture and Consumer
43 Services."

44 Section 39. G.S. 106-202.15(12) reads as rewritten:

"(12) To promulgate regulations under which the Department of Agriculture and Consumer Services may issue permits to licensed nurserymen, commercial growers, scientific supply houses and botanical gardens for the sale or distribution of plants on the protected list provided that the plants are nursery propagated and grown horticulturally from seeds or by vegetative propagation of cuttings, meristems or other similar materials and that the plants bear the grower's permit number."

Section 40. G.S. 106-202.19(a)(7) reads as rewritten:

"(7) To fail to keep records as required under this Article, to refuse to make records available for inspection by the Board or its agent, or to use forms other than those provided for the current year or harvest season by the Department of ~~Agriculture~~; Agriculture and Consumer Services."

Section 41. G.S. 106-202.19(b) reads as rewritten:

"(b) The Commissioner or any employee of the Department of Agriculture and Consumer Services designated by the Commissioner to enforce the provisions of this Article, may enter any place within the State at all reasonable times where plant materials are being grown, transported or offered for sale and require the presentation for inspection of all pertinent papers and records relative to the provisions of this Article, after giving notice in writing to the owner or custodian of the premises to be entered. If he refuses to consent to the entry, the Commissioner may apply to any district court judge and the judge may order, without notice, that the owner or custodian of the place permit the Commissioner to enter the place for the purposes herein stated and failure by any person to obey the order may be punished as for contempt."

Section 42. G.S. 106-245.14(12) reads as rewritten:

"(12) 'Lots' means a physical grouping of eggs or containers with eggs therein, as determined by the North Carolina Department of ~~Agriculture~~; Agriculture and Consumer Services."

Section 43. G.S. 106-245.31(3) reads as rewritten:

"(3) 'Department' means the North Carolina Department of ~~Agriculture~~; Agriculture and Consumer Services."

Section 44. G.S. 106-251 reads as rewritten:

"§ 106-251. Department of Agriculture and Consumer Services to enforce law; examinations.

It shall be the duty of the Department of Agriculture and Consumer Services to enforce this Article, and the Board of Agriculture shall cause to be made by the experts of the Department such examinations of plants and products named herein as are necessary to insure the compliance with the provisions of this Article. For the purpose of inspection, the authorized experts of the Department shall have authority, during business hours, to enter all plants or storage rooms where cream, ice cream, butter, or cheese or ingredients used in the same are made, stored, or kept, and any person who shall hinder, prevent, or attempt to prevent any duly authorized expert

1 of the Department in the performance of his duty in connection with this Article
2 shall be guilty of a violation of this Article."

3 Section 45. G.S. 106-266.6(5) reads as rewritten:

4 "(5) 'Health authorities' includes the Department of Environment,
5 Health, and Natural Resources, the State North Carolina
6 Department of Agriculture, Agriculture and Consumer Services,
7 the Commissioner of Agriculture, and the local health
8 authorities."

9 Section 46. G.S. 106-268 reads as rewritten:

10 "§ 106-268. Definitions; enforcement of Article.

11 The definitions set forth in this section shall apply to milk, dairy products, ice
12 cream, frozen desserts, frozen confections or any other products which purport to be
13 milk, dairy products or frozen desserts for which a definition and standard of identity
14 has been established and when any of such products heretofore enumerated shall be
15 sold, offered for sale or held with intent to sell by a milk producer, manufacturer or
16 distributor, and insofar as practicable and applicable, the definitions contained in
17 Article 12 of Chapter 106 of the General Statutes, as amended, shall be effective as to
18 the products enumerated in this Article and section.

19 The term 'adulteration' means:

- 20 (1) Failure to meet definitions and standards as established by the
21 Board of Agriculture.
22 (2) If any valuable constituent has been in whole or in part omitted
23 or abstracted therefrom.
24 (3) If any substance has been substituted wholly or in part thereof.
25 (4) If it is adjudged to be unfit for human consumption.

26 The term 'misbranded' means:

- 27 (1) If its labeling is false or misleading in any particular.
28 (2) If it is offered for sale under the name of another dairy product
29 or frozen dessert.
30 (3) If it is sold in package form unless it bears a prominent label
31 containing the name of the defined product, name and address of
32 the producer, processor or distributor and carries an accurate
33 statement of the quantity of contents in terms of weight or
34 measure.

35 The Department of ~~Agriculture~~, Agriculture and Consumer Services, through its
36 agents or inspectors, shall have free access during business hours to all places of
37 business, buildings, vehicles, cars, storage places, containers and vessels used in the
38 production, testing, processing and distribution of milk, cream, butter, cheese, ice
39 cream, frozen dessert or any dairy product for which standards of purity and of
40 identity have been established, as well as any substance which purports to be milk,
41 dairy products, frozen dessert or confection for which a definition and standard of
42 purity has been established; the Department of ~~Agriculture~~, acting through its duly
43 authorized agents and inspectors, may open any box, carton, parcel, package or
44 container holding or containing, or supposed to hold or contain any of the

1 above-enumerated dairy products, as well as related products, and may take
2 therefrom samples for analysis, test or inspection. If it appears that any of the
3 provisions of this Article or of this section have been violated, or whenever a duly
4 authorized agent of the Department of ~~Agriculture~~ has cause to believe that any
5 milk, cream, butter, cheese, ice cream, frozen dessert or any dairy product for which
6 standards of purity and of identity have been established or any substance which
7 purports to be milk, a dairy product or a frozen dessert for which a definition and
8 standard of identity has been established, is adulterated or misbranded or by reason
9 of contamination with microorganisms has become deleterious to health during
10 production, processing or distribution, and such products, or any of them, are in a
11 stage of production, or are being exposed for sale, or are being held for processing or
12 distribution or such products are being held with intent to sell the same, such agent
13 or inspector is hereby authorized to issue a 'stop-sale' order which shall prohibit
14 further sale of any of the products above enumerated or which shall prohibit further
15 processing, production or distribution of any of the products above enumerated. The
16 agent or inspector shall affix to such product a tag or other appropriate marking
17 giving notice that such product is, or is suspected of, being adulterated, misbranded
18 or contaminated and that the same has been detained or embargoed, and warning all
19 persons not to remove or dispose of such product, by sale or otherwise, until
20 permission for removal or disposal is given by such agent or inspector, until the law
21 or regulation has been complied with or said violation has otherwise been legally
22 disposed of. It shall be unlawful for any person to remove or dispose of any
23 embargoed product, by sale or otherwise, without such permission: Provided, that if
24 such adulteration or misbranding can be corrected by proper labeling or processing of
25 the products so that the products meet the definitions and standards of purity and
26 identity, then with the approval of such agent or inspector, sale and removal may be
27 made. Any milk, dairy products or any of the products enumerated in this Article or
28 section not in compliance with this Article or section shall be subject to seizure upon
29 complaint of the Commissioner of Agriculture, or any of the agents or inspectors of
30 the Department of ~~Agriculture~~, Agriculture and Consumer Services, to a court of
31 competent jurisdiction in the area in which said products are located. In the event the
32 court finds said products, or any of them, to be in violation of this Article or of this
33 section, the court may order the condemnation of said products, and the same shall
34 be disposed of in any manner consistent with the rules and regulations of the Board
35 of Agriculture and the laws of the State and in such a manner as to minimize any loss
36 or damage as far as possible: Provided, that in no instance shall the disposition of said
37 products be ordered by the court without first giving the claimant or owner of same
38 an opportunity to apply to the court for the release of said products or for permission
39 to again process or relabel the same so as to bring the product in compliance with
40 this Article or section. In the event any 'stop-sale' order shall be issued under the
41 provisions of this Article or section, the agents, inspectors or representatives of the
42 Department of Agriculture and Consumer Services shall release the products, or any
43 of them, so withdrawn from sale when the requirements of the provisions of this

1 Article and section have been complied with and upon payment of all costs and
2 expenses incurred in connection with the withdrawal."

3 Section 47. G.S. 106-277.9(7) reads as rewritten:

4 "(7) To use the name of the Department of Agriculture and Consumer
5 Services or the results of tests and inspections made by the
6 Department for advertising purposes."

7 Section 48. G.S. 106-277.28(3) reads as rewritten:

8 "(3) Each seed dealer or grower who has seed, whether originated or
9 labeled by the dealer or grower, that is offered for sale in this
10 State shall report the quantity of seed offered for sale and pay an
11 inspection fee of two cents (2¢) for each container of seeds
12 weighing 10 pounds or more. Seed shall be subject to the
13 inspection fee and reporting requirements only once in any 12-
14 month period. This fee does not apply to seed grown by a farmer
15 and offered for sale by the farmer at the farm where the seed was
16 grown.

17 Each seed dealer or grower shall keep accurate records of
18 the quantity of seeds and container weights offered for sale from
19 each distribution point in the State. These records shall be
20 available to the Commissioner or an authorized representative of
21 the Commissioner at any and all reasonable hours for the purpose
22 of verifying the quantity of seed offered for sale and the fees paid.
23 Each seed dealer or grower shall report quarterly on forms
24 furnished by the Commissioner the quantity and container weight
25 of seeds first offered for sale that quarter. The reports shall be
26 made on the first day of January, April, July, and October, or
27 within 10 days thereafter. Inspection fees shall be due and paid
28 with the next quarterly report filed after the seed is first offered
29 for sale. If the report is not filed and the inspection fees paid to
30 the Department of Agriculture and Consumer Services by the
31 tenth day following the date due, or if the report of the quantity
32 or container weights is false, the Commissioner may issue a stop-
33 sale order for all seed offered for sale by the dealer or grower. If
34 the inspection fees are unpaid more than 15 days after the due
35 date, the amount due shall bear a penalty of ten percent (10%)
36 which shall be added to the inspection fees due."

37 Section 49. G.S. 106-307.1 reads as rewritten:

38 "§ 106-307.1. Serums, vaccines, etc., for control of animal diseases.

39 The North Carolina Department of Agriculture and Consumer Services is
40 authorized and empowered to purchase for resale serums, viruses, vaccines, biologics,
41 and other products for the control of animal and poultry diseases. The resale of said
42 serums, viruses, vaccines, biologics and other products shall be at a reasonable price
43 to be determined by the Commissioner of Agriculture."

44 Section 50. G.S. 106-313 reads as rewritten:

1 **"§ 106-313. Price of serum to be fixed.**

2 The Department of Agriculture and Consumer Services shall fix the price of
3 anti-hog-cholera serum at such an amount as will cover the cost of production."

4 Section 51. G.S. 106-322.3(10) reads as rewritten:

5 "(10) Where the owner has failed to submit the reports required by the
6 United States Department of Agriculture and the North Carolina
7 ~~Departments~~ Department of Agriculture and Consumer Services
8 for animals on which indemnity is paid under Article 34."

9 Section 52. G.S. 106-418.10 reads as rewritten:

10 **"§ 106-418.10. Prohibited conduct.**

11 It shall be unlawful for any person to:

12 (1) Carry on or conduct the business of a livestock dealer without a
13 current valid license issued by the North Carolina Department of
14 Agriculture and Consumer Services under the provisions of this
15 Article;

16 (2) Fail to keep the records required by G.S. 106-418.13:"

17 Section 53. G.S. 106-426 reads as rewritten:

18 **"§ 106-426. Expert graders to be employed; cooperation with United States**
19 **Department of Agriculture.**

20 The North Carolina Department of Agriculture and Consumer Services shall have
21 authority to employ expert cotton graders to grade cotton in this State under such
22 rules and regulations as it may adopt. The ~~North Carolina Department of Agriculture~~
23 may seek the aid of the United States Department of Agriculture in the prosecution
24 of this work, and shall have authority to enter into such contracts or arrangements as
25 shall be mutually agreeable in furtherance of the object and purpose of this Article."

26 Section 54. G.S. 106-451.7(7) reads as rewritten:

27 "(7) 'Warehouseman' means a person licensed by North Carolina
28 Department of Agriculture and Consumer Services to engage in
29 the business of storing cotton for hire."

30 Section 55. G.S. 106-451.9(2) and (3) read as rewritten:

31 "(2) To assign and reassign the administrative and enforcement duties
32 and functions assigned to him in this Article to one or more
33 divisions within the Department of ~~Agriculture~~ Agriculture and
34 Consumer Services.

35 (3) To delegate to any division head and other officer or employee of
36 the Department of ~~Agriculture~~ Agriculture and Consumer
37 Services any of the powers and duties given to the Department by
38 statute or by rules promulgated pursuant to this Article."

39 Section 56. G.S. 106-542 reads as rewritten:

40 **"§ 106-542. Hatcheries, chick dealers and others to obtain license to operate.**

41 (a) It shall be unlawful for any person, firm or corporation to operate a hatchery
42 within this State without first obtaining a hatchery license from the Department of
43 Agriculture and Consumer Services for a fee of twenty-five dollars (\$25.00) per year.

1 (b) It shall be unlawful for any person, firm or corporation to operate as a hatching
2 egg dealer, chick dealer or jobber within this State without first obtaining a license
3 from the Department of Agriculture and Consumer Services for a fee of ten dollars
4 (\$10.00) per year.

5 (c) The Department of Agriculture and Consumer Services may deny, suspend,
6 revoke or refuse to renew the license of any person, firm or corporation for violation
7 of this Article or any rule or regulation promulgated thereunder."

8 Section 57. G.S. 106-549.01 reads as rewritten:

9 "§ 106-549.01. Civil penalties.

10 The Department of Agriculture and Consumer Services may assess a civil penalty
11 of not more than five thousand dollars (\$5,000) against any person who violates a
12 provision of this Article or any rule promulgated thereunder. In determining the
13 amount of the penalty, the Department shall consider the degree and extent of harm
14 caused by the violation."

15 Section 58. G.S. 106-549.15(3) reads as rewritten:

16 "(3) 'Authorized representative' means the Director of the Meat and
17 Poultry Inspection Service of the North Carolina Department of
18 ~~Agriculture.~~ Agriculture and Consumer Services."

19 Section 59. G.S. 106-549.29 reads as rewritten:

20 "§ 106-549.29. North Carolina Department of Agriculture and Consumer Services
21 responsible for cooperation.

22 (a) The North Carolina Department of Agriculture and Consumer Services is
23 hereby designated as the State agency which shall be responsible for cooperating with
24 the Secretary of Agriculture of the United States under the provisions of section 301
25 of the Federal Meat Inspection Act and such agency is directed to cooperate with the
26 Secretary of Agriculture of the United States in developing and administering the
27 meat inspection program of this State under this and the previous Article in such a
28 manner as will effectuate the purposes of this and the previous Article.

29 (b) In such cooperative efforts, the North Carolina Department of Agriculture and
30 Consumer Services is authorized to accept from said Secretary advisory assistance in
31 planning and otherwise developing the State program, technical and laboratory
32 assistance and training (including necessary curricular and instructional materials and
33 equipment), and financial and other aid for administration of such a program.

34 (c) The North Carolina Department of Agriculture and Consumer Services is
35 further authorized to recommend to the said Secretary of Agriculture such officials or
36 employees of this State as the Commissioner shall designate, for appointment to the
37 advisory committees provided for in Section 301 of the Federal Meat Inspection Act;
38 and the Commissioner or his authorized representative shall serve as the
39 representative of the Governor for consultation with said Secretary under paragraph
40 (c) of Section 301 of said act."

41 Section 60. G.S. 106-549.38 reads as rewritten:

42 "§ 106-549.38. Rules and regulations of State Department of ~~Agriculture.~~ Agriculture
43 and Consumer Services.

1 All rules and regulations of the ~~North Carolina~~ Department of Agriculture and
2 Consumer Services not inconsistent with the provisions of this Article shall remain in
3 full force and effect until amended or repealed by the Board."

4 Section 61. G.S. 106-549.51(12) and (13) read as rewritten:

5 "(12) 'Inspection service' means the official government service within
6 ~~this State~~ the Department of Agriculture and Consumer Services
7 designated by the Commissioner as having the responsibility for
8 carrying out the provisions of this Article.

9 (13) 'Inspector' means an employee or official of the ~~State~~
10 Department of Agriculture and Consumer Services authorized by
11 the Commissioner to inspect poultry and poultry products under
12 the authority of this Article, or any employee or official of the
13 government of any county or other governmental subdivision of
14 this State authorized by the Commissioner to inspect poultry and
15 poultry products under authority of this Article, under an
16 agreement entered into between the Department of ~~Agriculture~~
17 and such governmental subdivision."

18 Section 62. G.S. 106-549.52 reads as rewritten:

19 "(a) The Department of Agriculture and Consumer Services is hereby designated
20 as the State agency which shall be responsible for cooperating with the Secretary of
21 Agriculture of the United States under the provisions of section 5 of the Federal
22 Poultry Products Inspection Act and such agency is directed to cooperate with the
23 Secretary of Agriculture of the United States in developing and administering the
24 poultry products inspection program of this State under this Article and in
25 developing and administering the program of this State under G.S. 106-549.58 in such
26 a manner as will effectuate the purposes of this Article and said federal act.

27 (b) In such cooperative efforts, the Department of ~~Agriculture~~ is authorized to
28 accept from said Secretary advisory assistance in planning and otherwise developing
29 the State program, technical and laboratory assistance and training (including
30 necessary curricular and instructional materials and equipment), and financial and
31 other aid for administration of such a program.

32 (c) The Department of ~~Agriculture~~ is further authorized to recommend to the
33 Secretary of Agriculture such officials or employees of this State as the Commissioner
34 shall designate, for appointment to the advisory committees provided for in section 5
35 of the Federal Poultry Products Inspection Act; and the Commissioner shall serve as
36 the representative of the Governor for consultation with said Secretary under
37 subsection (c) of section 5 of said act."

38 Section 63. G.S. 106-549.94 reads as rewritten:

39 "**§ 106-549.94. Regulation of pen-raised quail by Department of Agriculture; and**
40 **Consumer Services; certain authority of North Carolina Wildlife Resources**
41 **Commission not affected.**

42 (a) The ~~North Carolina~~ Department of Agriculture and Consumer Services is
43 given exclusive authority to regulate the production and sale of pen-raised quail for
44 food purposes. The Board of Agriculture shall promulgate rules and regulations for

1 the production and sale of pen-raised quail for food purposes in such a manner as to
2 provide for close supervision of any person, firm, or corporation producing and
3 selling pen-raised quail for food purposes.

4 (b) The North Carolina Wildlife Resources Commission shall retain its authority
5 to regulate the possession and transportation of live pen-raised quail."

6 Section 64. G.S. 106-549.97 reads as rewritten:

7 "**§ 106-549.97. Regulation of fallow deer by Department of ~~Agriculture~~; Agriculture
8 and Consumer Services; certain authority of North Carolina Wildlife Resources
9 Commission not affected.**

10 (a) The Department of Agriculture and Consumer Services shall regulate the
11 production and sale of fallow deer for food purposes. The Board of Agriculture shall
12 adopt rules for the production and sale of fallow deer for food purposes in such a
13 manner as to provide for close supervision of any person, firm, or corporation
14 producing and selling fallow deer for food purposes.

15 As used in this section, 'fallow deer' (*Dama dama* spp.) means a small European
16 deer raised commercially for production and sale for food purposes.

17 (b) The North Carolina Wildlife Resources Commission shall regulate the
18 possession and transportation of live fallow deer and may adopt rules to prevent the
19 release or escape of fallow deer upon finding that it is necessary to protect live fallow
20 deer or to prevent damage to the native deer population or its habitat."

21 Section 65. G.S. 106-621(1) reads as rewritten:

22 "(1) Adulterated grain: Grain which contains any substance, such as,
23 but not limited to, Captan, carbon tetrachloride, Malathion,
24 Parathion, DDT, Dieldrin, Thiram, Endrin, Heptachlor, Maneb,
25 Methoxychlor, 2, 6-dichloro, 4-nitroaniline,
26 pentachloronitrobenzene, hexachlorobenzene, Demeton, Phorate,
27 Carbophenothion, in excess of the tolerance for human or animal
28 consumption established for such substances by the laws of the
29 State or the regulations of the ~~North Carolina~~ Department of
30 ~~Agriculture~~, Agriculture and Consumer Services or both the State
31 and the Department."

32 Section 66. G.S. 106-627 reads as rewritten:

33 "**§ 106-627. Determination of adulteration.**

34 For purposes of evidence under this Article, the grain dealer or his agent, upon
35 receipt or pending receipt of suspected adulterated grain, may, at his discretion, call
36 any law-enforcement officer to verify the sampling technique, [and] origin of sampled
37 grain and subsequently send or request the law-enforcement officer to send the
38 sample of grain in a sealed package to the Department of Agriculture and Consumer
39 Services for inspection and analysis in order to protect only the chain of evidence.

40 Upon [a] finding by the Department of ~~Agriculture~~ that said sample is adulterated
41 grain, the Department shall notify the grain dealer of the results and return the
42 sample to the original sender in a sealed package."

43 Section 67. G.S. 106-635(10) reads as rewritten:

1 "(10) The term 'Department' means the North Carolina Department of
2 ~~Agriculture~~. Agriculture and Consumer Services."

3 Section 68. G.S. 106-662(b)(6) reads as rewritten:

4 "(6) In the trial of any suit or action wherein there is called in
5 question the value or composition of any lot of commercial
6 fertilizer, a certificate signed by the fertilizer chemist and attested
7 with the seal of the Department of ~~Agriculture~~, Agriculture and
8 Consumer Services, setting forth the analysis made by the chemist
9 of the Department of ~~Agriculture~~, of any sample of said
10 commercial fertilizer, drawn under the provisions of this section
11 and analyzed by them under the provisions of the same, shall be
12 prima facie proof that the lot of fertilizer represented by the
13 sample was of the value and constituency shown by said analysis.
14 And the said certificate of the chemist shall be admissible in
15 evidence."

16 Section 69. G.S. 106-662(e)(2) reads as rewritten:

17 "(2) The sample shall be drawn in the presence of the manufacturer,
18 seller, or representative designated by either party together with
19 two disinterested adult persons; or in case the manufacturer,
20 seller, or representative of either refuses or is unable to witness
21 the drawing of such a sample, a sample may be drawn in the
22 presence of three disinterested adult persons; provided, any such
23 sample shall be taken with the same type of sampler as used by
24 the inspector of the Department of Agriculture and Consumer
25 Services in taking samples and shall be drawn, mixed, and
26 divided, as directed in subdivisions (1), (2), (3), and (4) of
27 subsection (b) of this section, except that the sample shall be
28 divided into two parts each to consist of at least one pound. Each
29 of these is to be placed into a separate, tight container, securely
30 sealed, properly labeled, and one sent to the Commissioner for
31 analysis and the other to the manufacturer. A certificate statement
32 in a form which will be prescribed and supplied by the
33 Commissioner must be signed by the parties taking and witnessing
34 the taking of the sample. Such certificate is to be made and
35 signed in duplicate and one copy sent to the Commissioner and
36 the other to the manufacturer or seller of the brand sampled. The
37 witnesses of the taking of any sample, as provided for in this
38 section, shall be required to certify that such sample has been
39 continuously under their observation from the taking of the
40 sample up to and including the delivery of it to an express
41 agency, a post office or to the office of the Commissioner."

42 Section 70. G.S. 106-708(5) reads as rewritten:

43 "(5) 'Department' means the Department of ~~Agriculture~~. Agriculture
44 and Consumer Services."

1 Section 71. G.S. 106-758(5) reads as rewritten:

2 "(5) 'Department' means the North Carolina Department of
3 ~~Agriculture~~. Agriculture and Consumer Services."

4 Section 72. G.S. 106-760(a) and (b) read as rewritten:

5 "(a) There is created within the Department of Agriculture and Consumer
6 Services the Aquaculture Advisory Board, to consist of the following persons:

7 (1) The Commissioner of Agriculture, or his designee;

8 (2) The Secretary of Commerce, or his designee;

9 (3) The Secretary of Environment, Health, and Natural Resources, or
10 his designee;

11 (4) The President of the North Carolina Biotechnology Center, or his
12 designee;

13 (5) The President of the University of North Carolina, or his
14 designee;

15 (6) One Senator designated by the President Pro Tempore of the
16 Senate; and

17 (7) One Representative designated by the Speaker of the House of
18 Representatives.

19 (b) The Commissioner of Agriculture or his designee shall serve as Chairman of
20 the Board. A majority of the Board shall constitute a quorum for the transaction of
21 business. Clerical and other assistance shall be provided by the Department of
22 ~~Agriculture~~. Agriculture and Consumer Services. The Commissioner may appoint
23 advisory committees, pursuant to G.S. 143B-10(d), to assist the Board in carrying out
24 its duties."

25 Section 73. G.S. 106-761(a) reads as rewritten:

26 "(a) Authority. The North Carolina Department of Agriculture and Consumer
27 Services shall regulate the production and sale of commercially raised freshwater fish
28 and freshwater crustacean species. The Board of Agriculture shall promulgate rules
29 for the registration of facilities for the production and sale of freshwater
30 aquaculturally raised species. The Board may prescribe standards under which
31 commercially reared fish may be transported, possessed, bought, and sold. The
32 Department of ~~Agriculture~~ and Board of Agriculture authority shall be limited to
33 commercially reared fish and shall not include authority over the wild fishery
34 resource which is managed under the authority of the North Carolina Wildlife
35 Resources Commission. The authority granted herein to regulate facilities licensed
36 pursuant to this section does not authorize the Department of Agriculture or the
37 Board of Agriculture to promulgate rules that (i) are inconsistent with rules adopted
38 by any other State agency; or (ii) exempt such facilities from the rules adopted by any
39 other State agency."

40 Section 74. G.S. 106-761(d) reads as rewritten:

41 "(d) Aquaculture Propagation and Production Facility License. The Board of
42 Agriculture may, by rule, authorize and license the operation of fish hatcheries and
43 production facilities for species of fish listed in subsection (b) of this section. The
44 Board may prescribe standards of operation, qualifications of operators, and the

1 conditions under which fish may be commercially reared, transported, possessed,
2 bought, and sold. Aquaculture Propagation and Production Licenses issued by the
3 ~~North Carolina Department of Agriculture~~ shall be valid for a period of five years."

4 Section 75. G.S. 106-761(e)(1) reads as rewritten:

5 "(1) Commercial catchout facilities must be stocked exclusively with
6 hatchery reared fish obtained from hatcheries approved by the
7 Department of ~~Agriculture~~ to prevent the introduction of
8 diseases. The Board of Agriculture may, by rule, prescribe
9 standards of operation and conditions under which fish from such
10 ponds may be taken, transported, possessed, bought, and sold."

11 Section 76. G.S. 106-761(g) reads as rewritten:

12 "(g) Possession of species other than those listed in subsection (b) of this section
13 or as authorized in writing by the Wildlife Resources Commission shall be a violation
14 which shall result in the revocation of the Aquaculture Propagation and Production
15 Facility or Commercial Catchout Facility License until such time that proper
16 authorization is received from the Wildlife Resources Commission or the
17 unauthorized species is removed from the facility. In the event of possession of
18 unauthorized fish species, the Wildlife Resources Commission may take further
19 regulatory action. The Department of ~~Agriculture~~ and the Wildlife Resources
20 Commission shall have authority to enter the premises of such facilities to inspect for
21 the possession of a species other than those authorized in subsection (b) of this
22 section or authorized by written permission of the Wildlife Resources Commission."

23 Section 77. G.S. 106-762(a) reads as rewritten:

24 "(a) The North Carolina Department of Agriculture and Consumer Services shall,
25 with the assistance of the Wildlife Resources Commission, develop and implement a
26 fish disease management plan to prevent the introduction of fish diseases through
27 aquaculture facilities subject to the provisions and duly adopted rules of this section
28 into the State."

29 Section 78. G.S. 106-783(3) reads as rewritten:

30 "(3) 'Department' means the North Carolina Department of
31 ~~Agriculture~~. Agriculture and Consumer Services."

32 Section 79. G.S. 106-792(3) reads as rewritten:

33 "(3) Department. -- The North Carolina Department of ~~Agriculture~~.
34 Agriculture and Consumer Services."

35 Section 80. G.S. 113-129(16) reads as rewritten:

36 "(16) Wildlife. -- Wild animals; wild birds; all fish found in inland
37 fishing waters; and inland game fish. Unless the context clearly
38 requires otherwise, the definitions of wildlife, wildlife resources,
39 wild animals, wild birds, fish, and the like are deemed to include
40 species normally wild, or indistinguishable from wild species,
41 which are raised or kept in captivity. Nothing in this definition is
42 intended to abrogate the exclusive authority given the
43 Department of Agriculture and Consumer Services to regulate the
44 production and sale of pen-raised quail for food purposes."

1 Section 81. G.S. 113-273(h) reads as rewritten:

2 "(h) Game Bird Propagation License. -- No person may propagate game birds in
3 captivity or possess game birds for propagation without first procuring a license under
4 this subsection. The Wildlife Resources Commission may by rule prescribe the
5 activities to be covered by the propagation license, which species of game birds may
6 be propagated, and the manner of keeping and raising the birds, in accordance with
7 the overall objectives of conservation of wildlife resources. Except as limited by this
8 subsection, propagated game birds may be raised and sold for purposes of
9 propagation, stocking, food, or taking in connection with dog training as authorized
10 in G.S. 113-291.1(d). Migratory game bird operations authorized under this
11 subsection must also comply with any applicable provisions of federal law and rules.
12 The Wildlife Resources Commission may impose requirements as to shipping,
13 marking packages, banding, tagging, or wrapping the propagated birds and other
14 restrictions designed to reduce the change of illicit game birds being disposed of
15 under the cover of licensed operations. The Wildlife Resources Commission may
16 make a reasonable charge for any bands, tags, or wrappers furnished propagators.
17 The game bird propagation license is issued by the Wildlife Resources Commission
18 upon payment of a fee of five dollars (\$5.00). It authorizes a person or individual to
19 propagate and sell game birds designated in the license, in accordance with the rules
20 of the Wildlife Resources Commission, except:

- 21 (1) Wild turkey and ruffed grouse may not be sold for food.
22 (2) Production and sale of pen-raised quail for food purposes is
23 under the exclusive control of the Department of ~~Agriculture~~.
24 Agriculture and Consumer Services. The Wildlife Resources
25 Commission, however, may regulate the possession, propagation,
26 and transportation of live pen-raised quail.
27 Wild turkey acquired or raised under a game bird propagation license shall be
28 confined in a cage or pen approved by the Wildlife Resources Commission and no
29 such wild turkey shall be released for any purpose or allowed to range free. It is a
30 Class 3 misdemeanor to sell wild turkey or ruffed grouse for food purposes, to sell
31 quail other than lawfully acquired pen-raised quail for food purposes, or to release or
32 allow wild turkey to range free."

33 Section 82. G.S. 113A-164.4(3) reads as rewritten:

- 34 "(3) Maintain a Natural Heritage Program to provide assistance in the
35 selection and nomination for registration or dedication of natural
36 areas. The Program shall include classification of natural heritage
37 resources, an inventory of their locations, and a data bank for that
38 information. The Program shall cooperate with the Department of
39 Agriculture and Consumer Services in the selection and
40 nomination of areas that contain habitats for endangered and rare
41 plant species, and shall cooperate with the Wildlife Resources
42 Commission in the selection and nomination of areas that contain
43 habitats for endangered and rare animal species. Information
44 from the natural heritage data bank may be made available to

public agencies and private persons for environmental assessment and land management purposes. Use of the inventory data for any purpose inconsistent with the Natural Heritage Program may not be authorized. The Program shall include other functions as may be assigned for registration, dedication, and protection of natural areas and nature preserves."

Section 83. G.S. 119-26.1 reads as rewritten:

"§ 119-26.1. Oxygen content standards and reformulated gasoline.

(a) Rules adopted pursuant to G.S. 143-215.107(a)(9) to regulate the oxygen content of gasoline or to require the use of reformulated gasoline shall be implemented by the Department of Agriculture and Consumer Services and the Gasoline and Oil Inspection Board. Such rules shall be implemented within any area specified by the Environmental Management Commission when the Commission certifies to the Commissioner of Agriculture that implementation:

- (1) Will improve the ambient air quality within the specified county or counties;
- (2) Is necessary to achieve attainment or preclude violations of the National Ambient Air Quality Standards; or
- (3) Is otherwise necessary to meet federal requirements.

(b) The Department of Agriculture and Consumer Services and the Gasoline and Oil Inspection Board may adopt rules to implement this section. Rules shall be consistent with the implementation schedule and rules adopted by the Environmental Management Commission.

(c) The Commissioner of Agriculture may assess and collect civil penalties for violations of rules adopted under G.S. 143-215.107(a)(9) or this section in accordance with G.S. 143-215.114A. The Commissioner of Agriculture may institute a civil action for injunctive relief to restrain, abate, or prevent a violation or threatened violation of rules adopted under G.S. 143-215.107(a)(9) or this section in accordance with G.S. 143-215.114C. The assessment of a civil penalty under this section and G.S. 143-215.114A or institution of a civil action under G.S. 143-215.114C and this section shall not relieve any person from any other penalty or remedy authorized under this Article.

(d) The Commissioner of Agriculture may delegate his powers and duties under this subsection to the Director of the Standards Division of the Department of ~~Agriculture.~~ Agriculture and Consumer Services."

Section 84. G.S. 119-27.1(b) reads as rewritten:

"(b) The North Carolina Department of Agriculture and Consumer Services shall have the responsibility for the enforcement of this section."

Section 85. G.S. 122D-3(6) reads as rewritten:

"(6) 'Department' means the North Carolina Department of ~~Agriculture.~~ Agriculture and Consumer Services."

Section 86. G.S. 130A-250(9) reads as rewritten:

"(9) Markets where meat food products or poultry products are prepared and sold and which are under the continuous inspection

1 by the North Carolina Department of Agriculture and Consumer
2 Services or the United States Department of Agriculture."

3 Section 87. G.S. 130A-278 reads as rewritten:

4 "§ 130A-278. Certain authorities of Department of Agriculture and Consumer
5 Services not replaced.

6 This Part shall not repeal or limit the Department of ~~Agriculture's~~ Agriculture and
7 Consumer Services' authority to carry out labeling requirements, required butterfat
8 testing, aflatoxin testing, pesticide testing, other testing performed by the Department
9 of Agriculture and Consumer Services any other function of the Department of
10 Agriculture and Consumer Services concerning Grade 'A' milk which is not
11 inconsistent with this Article."

12 Section 88. G.S. 136-18.2 reads as rewritten:

13 "§ 136-18.2. Seed planted by Department of Transportation to be approved by
14 Department of Agriculture.

15 The Department of Transportation shall not cause any seed to be planted on or
16 along any highway or road right-of-way unless and until such seed has been approved
17 by the ~~State~~ Department of Agriculture and Consumer Services as provided for in the
18 rules and regulations of the Department of Agriculture and Consumer Services for
19 such seed."

20 Section 89. G.S. 143-64.5 reads as rewritten:

21 "§ 143-64.5. Department of Agriculture and Consumer Services exempted from
22 application of Article.

23 Notwithstanding any provisions or limitations of Part 2 of this Article, the North
24 Carolina Department of Agriculture and Consumer Services is authorized and
25 empowered to distribute food, surplus commodities and agricultural products under
26 contracts and agreements with the federal government or any of its departments or
27 agencies, and ~~the North Carolina Department of Agriculture~~ is authorized and
28 empowered to adopt rules in order to conform with federal requirements and
29 standards for such distribution and also for the proper distribution of such food,
30 commodities and agricultural products. To the extent set forth above and in this
31 section, the provisions of Part 2 of this Article shall not apply to the North Carolina
32 Department of ~~Agriculture~~. Agriculture and Consumer Services."

33 Section 90. G.S. 143-436(b)(1) reads as rewritten:

34 "(1) One member each representing the North Carolina Department
35 of Agriculture and Consumer Services and two members
36 representing the North Carolina Department of Environment,
37 Health, and Natural Resources, one of whom shall be the State
38 Health Director or his designee and one of whom shall represent
39 an environmental protection agency. The persons so selected
40 may be either members of a policy board or departmental
41 officials or employees."

42 Section 91. G.S. 143-438 reads as rewritten:

43 "§ 143-438. Commissioner of Agriculture to administer and enforce Article.

1 The Commissioner of Agriculture shall have the following powers and duties
2 under this Article:

- 3 (1) To administer and enforce the provisions of this Article.
- 4 (2) To attend all meetings of the Pesticide Board, but without power
5 to vote (unless he be designated as the ex officio member of the
6 Board from the Department of ~~Agriculture~~; Agriculture and
7 Consumer Services).
- 8 (3) To keep an accurate and complete record of all Board meetings
9 and hearings, and to have legal custody of all books, papers,
10 documents and other records of the Board.
- 11 (4) To assign and reassign the administrative and enforcement duties
12 and functions assigned to him in this Article to one or more of
13 the divisions and other units within the Department of
14 ~~Agriculture~~; Agriculture and Consumer Services."
- 15 (5) To direct the work of the personnel employed by the Board and
16 of the personnel of the Department of Agriculture and Consumer
17 Services who have responsibilities concerning the programs set
18 forth in this Article.
- 19 (6) To delegate to any division head or other officer or employee of
20 the Department of Agriculture and Consumer Services any of the
21 powers and duties given to the Department by statute or by the
22 rules, regulations and procedures established pursuant to this
23 Article.
- 24 (7) To perform such other duties as the Board may from time to time
25 direct."

26 Section 92. G.S. 143-468 reads as rewritten:

27 "§ 143-468. Disposition of fees and charges.

28 (a) Except as provided in subsection (b), all fees and charges received by the
29 Board under this Article shall be credited to the Department of Agriculture and
30 Consumer Services for the purpose of administration and enforcement of this Article.

31 (b) The Pesticide Environmental Trust Fund is established as a nonreverting
32 account within the Department of ~~Agriculture~~; Agriculture and Consumer Services.
33 The Department of Agriculture and Consumer Services shall administer the Fund.
34 The additional assessment imposed by G.S. 143-442(b) on the registration of a brand
35 or grade of pesticide shall be credited to the Fund. The Department shall distribute
36 money in the Fund as follows:

- 37 (1) Two and one-half percent (2.5%) to North Carolina State
38 University Cooperative Extension Service to enhance its
39 agromedicine efforts in cooperation with East Carolina University
40 School of Medicine.
- 41 (2) Two and one-half percent (2.5%) to East Carolina University
42 School of Medicine to enhance its agromedicine efforts in
43 cooperation with North Carolina State University Cooperative
44 Extension Service.

1 The State Department of Correction shall in their discretion, upon application to
2 them, hire to the corporate authorities of any city or town for the purposes specified
3 in G.S. 148-66, such convicts as are mentally and physically capable of performing
4 the work or labor contemplated and are not at the time of such application hired or
5 otherwise engaged in labor under the direction of the Department; but the convicts so
6 hired for services shall be fed, clothed and quartered while so employed by the
7 Department.

8 Upon application to it, it shall be the duty of the State Department of Correction,
9 in its discretion, to hire to the Department of Agriculture and Consumer Services of
10 ~~the State of North Carolina~~ for the purposes of working on the State test farms and/or
11 State experimental stations, such convicts as may be mentally and physically capable
12 of performing the work or labor contemplated; but the convicts so hired for services
13 under this paragraph shall be fed, clothed and quartered while so employed by the
14 State Department of Correction."

15 Section 108. G.S. 166A-26(a)(6) reads as rewritten:

16 "(6) The Department of ~~Agriculture~~; Agriculture and Consumer
17 Services;"

18 Section 109. The Revisor of Statutes shall change all references in the
19 General Statutes from the Department of Agriculture to the Department of
20 Agriculture and Consumer Services.

21 Section 110. This act is effective when it becomes law.

1 (3) Twenty percent (20%) to North Carolina State University,
2 Department of Toxicology, to establish and maintain an extension
3 agromedicine specialist position.

4 (4) Seventy-five percent (75%) to the Department of Agriculture and
5 Consumer Services for its environmental programs, as directed by
6 the Board, including establishing a pesticide container
7 management program to enhance its pesticide disposal program
8 and its water quality initiatives."

9 Section 93. G.S. 143A-11(8) reads as rewritten:

10 "(8) Department of ~~Agriculture~~: Agriculture and Consumer Services."

11 Section 94. The title to Article 7 of Chapter 143A of the General
12 Statutes reads as rewritten:

13 "ARTICLE 7.

14 Department of ~~Agriculture~~: Agriculture and Consumer Services."

15 Section 95. G.S. 143A-56 reads as rewritten:

16 "**§ 143A-56. Creation.**

17 There is hereby created a Department of ~~Agriculture~~: Agriculture and Consumer
18 Services. The head of the Department of ~~Agriculture~~ is the Commissioner of
19 Agriculture."

20 Section 96. G.S. 143A-58 reads as rewritten:

21 "**§ 143A-58. Commissioner of Agriculture; transfer of powers and duties to**
22 **Department.**

23 Except as otherwise provided in the Constitution or in this Chapter, all powers,
24 duties and functions vested by law in the Commissioner of Agriculture are transferred
25 by a Type I transfer to the Department of ~~Agriculture~~: Agriculture and Consumer
26 Services."

27 Section 97. G.S. 143A-59 reads as rewritten:

28 "**§ 143A-59. Board of Agriculture; transfer.**

29 The Board of Agriculture, as contained in Article 1 of Chapter 106 of the General
30 Statutes and the laws of this State, is hereby transferred by a Type II transfer to the
31 Department of ~~Agriculture~~: Agriculture and Consumer Services."

32 Section 98. G.S. 143A-60 reads as rewritten:

33 "**§ 143A-60. Structural Pest Control Division; transfer.**

34 The Structural Pest Control Division of the Department of Agriculture, as
35 contained in Article 4C of Chapter 106 of the General Statutes and the laws of this
36 State, is hereby transferred by a Type II transfer to the Department of ~~Agriculture~~:
37 Agriculture and Consumer Services."

38 Section 99. G.S. 143A-61 reads as rewritten:

39 "**§ 143A-61. The North Carolina Agricultural Hall of Fame; transfer.**

40 The North Carolina Agricultural Hall of Fame, as contained in Article 50B of
41 Chapter 106 of the General Statutes and the laws of this State, is hereby transferred
42 by a Type I transfer to the Department of ~~Agriculture~~: Agriculture and Consumer
43 Services."

44 Section 100. G.S. 143A-62 reads as rewritten:

1 "§ 143A-62. Gasoline and Oil Inspection Board; transfer.

2 The Gasoline and Oil Inspection Board, as contained in Article 3 of Chapter 119
3 of the General Statutes and the laws of this State, is hereby transferred by a Type II
4 transfer to the Department of ~~Agriculture~~. Agriculture and Consumer Services."

5 Section 101. G.S. 143A-63 reads as rewritten:

6 "§ 143A-63. North Carolina Rural Rehabilitation Corporation; transfer.

7 The North Carolina Rural Rehabilitation Corporation, and board of directors, as
8 contained in Chapter 137 of the General Statutes and the laws of this State, is hereby
9 transferred by a Type II transfer to the Department of ~~Agriculture~~. Agriculture and
10 Consumer Services."

11 Section 102. G.S. 143A-64 reads as rewritten:

12 "§ 143A-64. North Carolina Board of Crop Seed Improvement; transfer.

13 The North Carolina Board of Crop Seed Improvement, as contained in Article 30
14 of Chapter 106 of the General Statutes and the laws of this State, is hereby
15 transferred by a Type II transfer to the Department of ~~Agriculture~~. Agriculture and
16 Consumer Services."

17 Section 103. G.S. 143A-65 reads as rewritten:

18 "§ 143A-65. North Carolina Public Livestock Market Advisory Board; transfer.

19 The North Carolina Public Livestock Market Advisory Board, as contained in
20 Article 35 of Chapter 106 of the General Statutes and the laws of this State, is hereby
21 transferred by a Type I transfer to the Department of ~~Agriculture~~. Agriculture and
22 Consumer Services."

23 Section 104. G.S. 143B-417(1)q. reads as rewritten:

24 "q. Department of Agriculture and Consumer Services".

25 Section 105. G.S. 143B-434(c)(2) reads as rewritten:

26 "(2) The Department of ~~Agriculture~~. Agriculture and Consumer
27 Services."

28 Section 106. G.S. 148-66 reads as rewritten:

29 "§ 148-66. Cities and towns and Department of Agriculture and Consumer Services
30 may contract for prison labor.

31 The corporate authorities of any city or town may contract in writing with the
32 State Department of Correction for the employment of convicts upon the highways or
33 streets of such city or town, and such contracts when so exercised shall be valid and
34 enforceable against such city or town, and the Attorney General may prosecute an
35 action in the Superior Court of Wake County in the name of the State for their
36 enforcement.

37 The Department of Agriculture and Consumer Services ~~of the State of North~~
38 ~~Carolina~~ is hereby authorized and empowered to contract, in writing, with the State
39 Department of Correction for the employment and use of convicts under its
40 supervision to be worked on the State test farms and/or State experimental stations."

41 Section 107. G.S. 148-67 reads as rewritten:

42 "§ 148-67. Hiring to cities and towns and State Department of ~~Agriculture~~.
43 Agriculture and Consumer Services.

1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 238 A BILL TO BE ENTITLED AN ACT TO ENCOURAGE OWNERS AND OPERATORS OF ANIMAL WASTE MANAGEMENT SYSTEMS TO PARTICIPATE IN CERTAIN RESEARCH STUDIES DIRECTED BY THE GENERAL ASSEMBLY BY LIMITING ENFORCEMENT ACTIONS FOR UNINTENTIONAL AND NONNEGLIGENT VIOLATIONS OF WATER QUALITY STANDARDS THAT ARE IDENTIFIED IN THE COURSE OF THOSE RESEARCH STUDIES AND TO CLARIFY THE REPORTING DATES FOR THOSE RESEARCH STUDIES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to committee substitute bill unfavorable as to original bill.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

file

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1997

H

D

HOUSE BILL 238*
Proposed Committee Substitute H238-PCS8067

Short Title: Facilitate Animal Waste Mgt. Research.

(Public)

Sponsors:

Referred to:

February 17, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ENCOURAGE OWNERS AND OPERATORS OF ANIMAL WASTE
3 MANAGEMENT SYSTEMS TO PARTICIPATE IN CERTAIN RESEARCH
4 STUDIES DIRECTED BY THE GENERAL ASSEMBLY BY LIMITING
5 ENFORCEMENT ACTIONS FOR UNINTENTIONAL AND NONNEGLIGENT
6 VIOLATIONS OF WATER QUALITY STANDARDS THAT ARE IDENTIFIED
7 IN THE COURSE OF THOSE RESEARCH STUDIES AND TO CLARIFY THE
8 REPORTING DATES FOR THOSE RESEARCH STUDIES, AS
9 RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.
10 The General Assembly of North Carolina enacts:
11 Section 1. The Department of Environment, Health, and Natural
12 Resources shall not take any enforcement action against any person for any
13 unintentional and nonnegligent violation of water quality standards that are identified
14 in the course of any of the research studies directed by Sections 27.3 (odor control
15 technology), 27.7 (groundwater impacts of lagoons), 27.9 (atmospheric deposition of
16 nitrogen in the Neuse Estuary), 27.32(b) (sources of nitrogen through isotope markers
17 and other topics), and 27.35 (alternative animal waste technologies) of Chapter 18 of
18 the 1995 Session Laws (Second Extra Session). This section shall not be construed to
19 limit an enforcement action for any negligent or intentional act or for any violation
20 that poses an immediate threat to public health or the environment. This section
21 shall not be construed to relieve any person from any duty otherwise imposed by law
22 to take remedial or corrective action to correct the violation.

1 Section 2. Notwithstanding the provisions of G.S. 143-215.10E(a), an
2 employee of a State agency or unit of local government who identifies an
3 unintentional or nonnegligent violation listed in subdivisions (1) through (4) of G.S.
4 143-215.10E(a) that is identified in the course of any of the research studies listed in
5 Section 1 of this act shall not report the violation to the Division of Water Quality of
6 the Department of Environment, Health, and Natural Resources unless the violation
7 poses an immediate threat to public health or the environment.

8 Section 3. The Primary Investigator or Researcher for each of the
9 research studies listed in Section 1 of this act shall report to the Environmental
10 Review Commission on the progress of the research study and on any preliminary
11 results of the research study on 1 January and 1 July of each year, beginning 1 July
12 1997, until the research study is concluded. The Primary Investigator shall make a
13 final report, including final results and any recommendations, to the Environmental
14 Review Commission at the conclusion of the research study.

15 Section 4. This act is effective when it becomes law.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 240 A BILL TO BE ENTITLED AN ACT TO REMOVE THE MATCHING FUNDS REQUIREMENT FOR THE FUNDS APPROPRIATED IN 1996 TO CONDUCT AN ODOR CONTROL TECHNOLOGY STUDY, AS RECOMMENDED BY THE ENVIORNMENTAL REVIEW COMMISSION.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on ☐ Appropriations ☐ Finance ☐.

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to original bill (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 240*

Short Title: Remove Odor Control Study Match.

(Public)

Sponsors: Representatives Mitchell; Weatherly and Nichols.

Referred to: Agriculture, if favorable, Appropriations.

February 17, 1997

1 A BILL TO BE ENTITLED

2 AN ACT TO REMOVE THE MATCHING FUNDS REQUIREMENT FOR THE
3 FUNDS APPROPRIATED IN 1996 TO CONDUCT AN ODOR CONTROL
4 TECHNOLOGY STUDY, AS RECOMMENDED BY THE ENVIRONMENTAL
5 REVIEW COMMISSION.

6 The General Assembly of North Carolina enacts:

7 Section 1. Section 27.3 of Chapter 18 of the Session Laws of the 1996
8 Second Extra Session reads as rewritten:

9 "Sec. 27.3. Of the funds appropriated to the Department of Environment, Health,
10 and Natural Resources in this act, the sum of six hundred thousand dollars (\$600,000)
11 for the 1996-97 fiscal year shall be transferred to the Board of Governors of The
12 University of North Carolina for the North Carolina Agricultural Research Service at
13 North Carolina State University to conduct research into economically feasible odor
14 control technologies and to provide detailed economic analysis of odor management
15 ~~alternatives; provided these funds are matched with an equal sum from private~~
16 ~~sources.~~ alternatives. No later than January 1, 1997, the Board of Governors shall
17 report to the Environmental Review Commission and the Fiscal Research Division on
18 progress under the research, including any findings and recommendations at that
19 time."

20 Section 2. This act is effective when it becomes law.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 409 A BILL TO BE ENTITLED AN ACT CLARIFYING WHERE APPEALS FROM
AGRICULTURAL EMPLOYERS WILL BE HEARD.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 409

Short Title: Agricultural Employer Appeals/AB.

(Public)

Sponsors: Representatives Yongue; Bonner, Brown, and Culp.

Referred to: Agriculture.

March 6, 1997

1 A BILL TO BE ENTITLED
2 AN ACT CLARIFYING WHERE APPEALS FROM AGRICULTURAL
3 EMPLOYERS WILL BE HEARD.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 95-227 reads as rewritten:

6 "§ 95-227. Enforcement.

7 For the purpose of enforcing the standards provided by this Article, the provisions
8 of G.S. 95-129, G.S. 95-130 and G.S. 95-136 through G.S. 95-142 shall apply under
9 this Article in a similar manner as they apply to places of employment under
10 OSHANC; however, ~~G.S. 95-129(4), 95-130(2) and (6), and 95-137(b)(4)~~ G.S. 95-
11 129(4), 95-130(2), and 95-130(6) do not apply to migrant housing. For the purposes
12 of this Article, the term:

- 13 (1) 'Employer' in G.S. 95-129, G.S. 95-130 and G.S. 95-136 through
14 G.S. 95-142 shall be construed to mean an operator;
15 (2) 'Employee' shall be construed to mean a migrant; and
16 (3) 'Director' shall mean the agent designated by the Commissioner to
17 assist in the administration of this Article.

18 The Commissioner may establish a new division to enforce this Article."

19 Section 2. G.S. 150B-1(e) reads as rewritten:

20 "(e) Exemptions From Contested Case Provisions. -- The contested case
21 provisions of this Chapter apply to all agencies and all proceedings not expressly
22 exempted from the Chapter. The contested case provisions of this Chapter do not
23 apply to the following:

- (1) The Department of Human Resources and the Department of Environment, Health, and Natural Resources in complying with the procedural safeguards mandated by Section 680 of Part H of Public Law 99-457 as amended (Education of the Handicapped Act Amendments of 1986).
- (2) Repealed by Session Laws 1993, c. 501, s. 29.
- (3) The North Carolina Low-Level Radioactive Waste Management Authority in administering the provisions of G.S. 104G-9, 104G-10, and 104G-11.
- (4) The North Carolina Hazardous Waste Management Commission in administering the provisions of G.S. 130B-11, 130B-13, and 130B-14.
- (5) Hearings required pursuant to the Rehabilitation Act of 1973, (Public Law 93-122), as amended and federal regulations promulgated thereunder. G.S. 150B-51(a) is considered a contested case hearing provision that does not apply to these hearings.
- (6) The Department of Revenue.
- (7) The Department of Correction.
- (8) The Department of Transportation, except as provided in G.S. 136-29.
- (9) The Occupational Safety and Health Review ~~Board in all actions that do not involve agricultural employers. Board.~~
- (10) The North Carolina Global TransPark Authority with respect to the acquisition, construction, operation, or use, including fees or charges, of any portion of a cargo airport complex.
- (11) Hearings that are provided by the Department of Human Resources regarding the eligibility and provision of services for eligible assaultive and violent children, as defined in G.S. 122C-3(13a), shall be conducted pursuant to the provisions outlined in G.S. 122C, Article 4, Part 7."

Section 3. This act is effective when it becomes law.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 457 A BILL TO BE ENTITLED AN ACT TO ALLOW RECOVERY OF FUNDS
PAID AS FOREST DEVELOPMENT COST-SHARING PAYMENTS WHEN TREES ARE
NOT MAINTAINED AT LEAST TEN YEARS AND TO CONVERT THE FOREST
DEVELOPMENT FUND TO ONE THAT ACCRUES INTEREST.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to committee substitute bill unfavorable as to original bill and
recommendation that the committee substitute bill be re-referred to the Committee on
Finance.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 463 A BILL TO BE ENTITLED AN ACT TO INCREASE THE PERMISSIBLE
WEIGHT OF AGRICULTURAL CROPS THAT MAY BE TRANSPORTED ON THE
HIGHWAYS FROM THE FIELD TO A PLACE WITH CERTIFIED SCALES.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to committee substitute bill ☒ which changes the title,
unfavorable as to original bill.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 935

Short Title: Promote Llama Breeding.

(Public)

Sponsors: Representatives Beall, Ramsey, and Brown.

Referred to: Agriculture.

April 14, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO RECOGNIZE LLAMAS AS LIVESTOCK ANIMALS.
3 The General Assembly of North Carolina enacts:
4 Section 1. G.S. 113A-52.01 reads as rewritten:
5 "§ 113A-52.01. Applicability of this Article.
6 This Article shall not apply to the following land-disturbing activities:
7 (1) Activities, including the breeding and grazing of livestock,
8 undertaken on agricultural land for the production of plants and
9 animals useful to man, including, but not limited to:
10 a. Forages and sod crops, grains and feed crops, tobacco,
11 cotton, and peanuts.
12 b. Dairy animals and dairy products.
13 c. Poultry and poultry products.
14 d. Livestock, including beef cattle, llamas, sheep, swine, horses,
15 ponies, mules, and goats.
16 e. Bees and apiary products.
17 f. Fur producing animals.
18 (2) Activities undertaken on forestland for the production and
19 harvesting of timber and timber products and conducted in
20 accordance with best management practices set out in Forest
21 Practice Guidelines Related to Water Quality, as adopted by the
22 Department.
23 (3) Activities for which a permit is required under the Mining Act of
24 1971, Article 7 of Chapter 74 of the General Statutes.

(4) For the duration of an emergency, activities essential to protect human life."

Section 2. G.S. 68-15 reads as rewritten:

"§ 68-15. Term 'livestock' defined.

The word 'livestock' in this Chapter shall include, but shall not be limited to, equine animals, bovine animals, sheep, ~~goats~~ goats, llamas, and swine."

Section 3. Any rules adopted by the Board of Agriculture that affect llamas shall not refer to llamas as exotic or wild animals. It is the intent of the General Assembly that llamas be treated as domesticated livestock in order to promote the development and improvement of the llama industry in the State. This section does not prohibit the Board of Agriculture from classifying llamas for animal health purposes in accordance with generally accepted standards of veterinary medicine. For purposes of this section, 'llama' means a South American camelid that is an animal of the genus llama. Llama includes llamas, alpacas, and guanacos. Llama does not include vicunas.

Section 4. This act is effective when it becomes law. Section 3 of this act applies to rules adopted or amended on or after this date.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 935 A BILL TO BE ENTITLED AN ACT TO RECOGNIZE LLAMAS AS
LIVESTOCK ANIMALS.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H.B. FILED

0999

APR 16 97

H

HOUSE PRINCIPAL CLERK ^D

HOUSE DRH6199-LD192(4.10)

Short Title: Soil and Water Commission/Inspections.

(Public)

Sponsors: Representative Rogers.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE AUTHORITY OF THE SOIL AND WATER
3 CONSERVATION COMMISSION TO CONDUCT INSPECTIONS.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 143B-294 reads as rewritten:

6 "§ 143B-294. Soil and Water Conservation Commission -- creation; powers and ~~duties.~~
7 duties; compliance inspections.

8 (a) There is hereby created the Soil and Water Conservation Commission of the
9 Department of Environment, Health, and Natural Resources with the power and duty
10 to adopt rules to be followed in the development and implementation of a soil and
11 water conservation program.

12 (1) The Soil and Water Conservation Commission has all of the
13 following powers and duties:

14 a. To approve petitions for soil conservation ~~districts;~~ districts.

15 b. To approve application for watershed ~~plans; and plans.~~

16 c. Such other duties as specified in Chapter 139.

17 d. To conduct any inspections consistent with subsection (b) of
18 this section for inspections it deems reasonably necessary to
19 carry out its duties.

20 (2) The Commission shall adopt rules consistent with the provisions of
21 this Chapter. All rules not inconsistent with the provisions of this
22 Chapter heretofore adopted by the Soil and Water Conservation
23 Committee shall remain in full force and effect unless and until
24 repealed or superseded by action of the Soil and Water
25 Conservation Commission. All rules adopted by the Commission

1 shall be enforced by the Department of Environment, Health, and
2 Natural Resources.

3 (b) Inspections authorized by subsection (1)d. of this section may be conducted
4 by authorized representatives of the Commission. When conducting inspections, the
5 Commission may enter at reasonable times upon any property, public or private, for
6 the purpose of investigating compliance with Commission or Department programs.

7 (c) No person shall refuse entry or access to a person who requests entry for the
8 purposes of an inspection under this section and who presents appropriate
9 credentials. Any person who refuses entry or access to a person conducting an
10 inspection or obstructs, hampers, or interferes with any such person while that person
11 is in the process of carrying out official duties shall, notwithstanding G.S. 115A-
12 1340.23, be guilty of a Class 1 misdemeanor punishable by imprisonment not to
13 exceed 90 days, or by a fine not to exceed five thousand dollars (\$5,000), or both."

14 Section 2. This act is effective when it becomes law, except G.S. 143B-
15 294(c), as enacted by Section 1 of this act, becomes effective December 1, 1997, and
16 applies to offenses committed on or after that date.



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 999

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

H999-arf-01

Date _____, 1997

Comm. Sub. []
Amends Title []

1 moves to amend the bill on page 2, lines 12 and 13,
2 by deleting the citation "G.S. 115A-1340.23" and substituting the
3 citation "G.S. 15A-1340.23".
4

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 999 A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY OF
THE SOIL AND WATER CONSERVATION COMMISSION TO CONDUCT
INSPECTIONS.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐.

☐ With a favorable report, as amended.

☒ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Judiciary II.

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

FOR JOURNAL USE ONLY

- ____ Pursuant to Rule 36(a), the bill is placed on the Calendar of _____.
- ____ The (committee substitute) bill/resolution (, as amended,) is (ordered engrossed and) re-referred to the Committee on _____.
- ____ The (committee substitute) bill/resolution (, as amended,) is placed on the Consent Calendar of _____. The original bill/resolution is placed on the Unfavorable Calendar.
- ____ The bill/resolution is re-referred to the Committee on _____.
- ____ On motion of (Rep. _____,) (the Chair,) the (committee substitute) bill/resolution is (ordered engrossed and) re-referred to the Committee on _____.
- ____ Pursuant to Rule 36(a), the (House)committee substitute bill (No. ____)/resolution is placed on the Calendar of _____. (The original bill) (House Committee Substitute Bill No. ____)/resolution is placed on the Unfavorable Calendar.
- ____ On motion of Rep. _____, (the rules are suspended) (Rule ____ is suspended) and the bill/resolution is placed on today's calendar. (for immediate consideration.)
- ____ On motion of Rep. _____, Committee Amendment No.(s) _____ is/are adopted (by EV _____).
- ____ On motion of Rep. _____, Committee Amendment No.(s) _____ is/are adopted (by EV _____).
- ____ Rep. _____ offers Amendment No. _____ which (is adopted.) (fails of adoption.) (by EV _____.) () This amendment changes the title.
- ____ The bill/resolution (, as amended,) passes its second reading (by following vote, _____ RC) (, by EV _____,) and (remains on the Calendar,) (and there being no objection is read a third time).
- ____ The bill/resolution (, as amended,) passes its third reading (by the following vote, _____ RC) (, by EV _____,) and is ordered
____ sent to the Senate.
____ without engrossment. _____ by Special message.
____ sent to the Senate for concurrence in
____ House amendment (s).
____ House committee substitute.
____ enrolled.
- ____ On motion of Rep. _____, the House concurs in the (material) Senate _____ (by the following vote, _____ RC) (, by EV _____,) and the bill is ordered enrolled.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 1120 A BILL TO BE ENTITLED AN ACT TO ALLOW PRESCRIBED BURNING
IN FORESTS BY FOREST LANDOWNERS UNDER CERTAIN CONDITIONS.

☐ With a favorable report.

x With a favorable report and recommendation that the bill be re-referred to the Committee on
☐☐☐ Judiciary I.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

S.B. 172 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE
OF HUNTING LICENSES FOR CERTAIN DISABLED HUNTERS WHO HAVE NOT
COMPLIED WITH THE HUNTING SAFETY COURSE REQUIREMENT.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to ^{House} committee substitute bill, unfavorable as to original bill and
recommendation that the ^{House} committee substitute bill be re-referred to the Committee on
Judiciary I.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

D

SENATE BILL 172
Corrected Copy 2/19/97
Proposed Committee Substitute S172-PCS7738

Short Title: No Safety Course/Disabled Hunters.

(Public)

Sponsors:

Referred to:

February 18, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE ISSUANCE OF HUNTING LICENSES FOR
3 CERTAIN DISABLED HUNTERS WHO HAVE NOT COMPLIED WITH THE
4 HUNTING SAFETY COURSE REQUIREMENT.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 113-270.1A reads as rewritten:

7 "§ 113-270.1A. Hunter safety course required.

8 (a) ~~On~~ Except as provided in subsection (a1) of this section, on or after July 1,
9 1991, a person, regardless of age, may not procure a hunting license or hunt in this
10 State without producing a certificate of competency or a hunting license issued prior
11 to July 1, 1991, or signing a statement on a form provided by the Wildlife Resources
12 Commission that he had such a license.

13 (a1) A person who qualifies for a totally disabled resident combination hunting-
14 fishing license under G.S. 113-270.1C(b)(3) need not comply with the requirements of
15 subsection (a) of this section in order to receive that license, so long as the person
16 does not make use of the license unless:

17 (1) The person is accompanied by an adult of at least 21 years of age
18 who is licensed to hunt; and
19 (2) The adult hunter maintains a proximity to the disabled hunter
20 which enables the adult to take immediate control of the hunting
21 device at all times.

(b) The Wildlife Resources Commission shall institute and coordinate a statewide course of instruction in hunter ethics, wildlife laws and regulations, and competency and safety in the handling of firearms, and in so doing, may cooperate with any political subdivision, or with any reputable organization having as one of its objectives the promotion of competency and safety in the handling of firearms, including local rod and gun clubs.

(1) The Wildlife Resources Commission shall designate those persons or agencies authorized to give the course of instruction, and this designation shall be valid until revoked by the Commission. Those designated persons shall submit to the Wildlife Resources Commission validated listings naming all persons who have successfully completed the course of instruction.

(2) The Wildlife Resources Commission may conduct the course in hunter safety, using Commission personnel or other persons at times and in areas where other competent agencies are unable or unwilling to meet the demand for instruction.

(3) The Wildlife Resources Commission shall issue a certificate of competency and safety to each person who successfully completes the course of instruction, and the certificate shall be valid until revoked by the Commission.

(4) Any similar certificate issued outside the State by a governmental agency, shall be accepted as complying with the requirements of subsection (a) above, if the privileges are reciprocal for North Carolina residents.

(5) The Wildlife Resources Commission shall adopt rules and regulations to provide for the course of instruction and the issuance of the certificates consistent with the purpose of this section.

(c) On or after July 1, 1991, any person who obtains a hunting license by presenting a fictitious certificate of competency or who attempts to obtain a certificate of competency or hunting license through fraud shall have his hunting privileges revoked by the Wildlife Resources Commission for a period not to exceed one year.

(d) Nothing in this section shall be construed to prohibit the sale of lifetime licenses as provided in G.S. 113-270.2(c)(1a). Pending satisfactory completion of the hunter safety course, persons who possess such licenses may exercise the privileges thereof when accompanied by an adult at least 21 years of age who is licensed to hunt in this State. For the purpose of this section, 'accompanied' is defined as being able to take immediate control of the hunting device."

Section 2. Notwithstanding the provisions of Section 1 of this act, locations where hunting safety is taught shall not be relieved of their obligation to make the course accessible to persons with disabilities who wish to take the course.

Section 3. This act is effective when it becomes law.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 357 A BILL TO BE ENTITLED AN ACT TO CLARIFY THE REQUIREMENTS
IMPOSED BY GENERAL PERMITS FOR CERTAIN ANIMAL OPERATIONS.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to committee substitute bill, unfavorable as to original bill

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 357

Proposed Committee Substitute H357-PCS6254

Short Title: General Animal Waste Permits.

(Public)

Sponsors:

Referred to:

February 27, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE REQUIREMENTS IMPOSED BY GENERAL
3 PERMITS FOR CERTAIN ANIMAL OPERATIONS.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 143-215.10C is amended by adding a new subsection to
6 read:

7 "(a1) The general permits for animal operations shall not require any of the
8 following:

- 9 (1) That application of animal waste onto land used to grow crops for
10 direct human consumption be prohibited within any specified time
11 period prior to or during the planting of the crop, during the
12 growing season, or, in the case of fruit trees, prior to breaking
13 dormancy.
- 14 (2) That application of animal waste onto land used to grow fiber or
15 food crops for direct human consumption that undergo further
16 processing be prohibited within any specified time period prior to
17 the harvesting of the crop.
- 18 (3) That animal waste be incorporated into the soil within any
19 specified time period after it is applied onto bare soil.
- 20 (4) That waste application and handling equipment be maintained on-
21 site, when it is provided by the owner or operator.

- 1 (5) That inspection of a waste collection, treatment, storage, or
2 transmission structure be performed more frequently than annually,
3 when the structure is under the control of the owner or operator.
4 (6) That records be maintained of maintenance and repairs of a waste
5 collection, treatment, or transmission structure, when the structure
6 is under the control of the owner or operator.
7 (7) That repairs of a waste treatment, storage, or transmission structure
8 be approved by a technical specialist.
9 (8) That streams be fenced to prevent grazing cattle from accessing
10 drinking water."

11 Section 2. This act is effective when it becomes law.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 1037 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE
TRANSPORTATION AND RESALE OF THE EDIBLE PARTS OF BEAR AND DEER
TAKEN IN ANOTHER STATE.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to committee substitute bill, which changes the title, unfavorable
as to original bill.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 1037
Proposed Committee Substitute H1037-PCS6255

Short Title: Sale of Certain Exotic Meats.

(Public)

Sponsors:

Referred to:

April 21, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE TRANSPORTATION AND RESALE OF THE
3 EDIBLE PARTS OF DEER RAISED DOMESTICALLY IN ANOTHER STATE.
4 The General Assembly of North Carolina enacts:
5 Section 1. G.S. 113-291.3(b) is amended by adding a new subdivision to
6 read:
7 "(8) The sale of the edible parts of deer raised domestically in another
8 state may be transported into this State and resold as a meat
9 product for human consumption when the edible parts have passed
10 inspection in the other state by that state's inspection agency or the
11 United States Department of Agriculture."
12 Section 2. This act is effective when it becomes law.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

S.B. 266 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE
PRODUCTION AND SALE OF RED DEER.

☐ With a favorable report.

☒ With a favorable report and recommendation that the bill be re-referred to the Committee on

☒ Finance

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached. *

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

- ☐ Committee Substitute for
H.B. 1092 A BILL TO BE ENTITLED AN ACT TO PHASE DOWN THE SALES TAX
ON ELECTRICITY AND PIPED NATURAL GAS USED IN FARMING AND
MANUFACTURING.
- ☐ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐.
- ☒ With a favorable report as to committee substitute bill, unfavorable as to original bill, and
recommendation that the committee substitute bill be re-referred to the Committee on
Finance.
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 1092*
Proposed Committee Substitute H1092-PCS6262

Short Title: Reduce Farm/Industry Fuel Tax.

(Public)

Sponsors:

Referred to:

April 21, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO PHASE DOWN THE SALES TAX ON ELECTRICITY AND PIPED
3 NATURAL GAS USED IN FARMING AND MANUFACTURING.
4 The General Assembly of North Carolina enacts:
5 Section 1. G.S. 105-164.4(a)(1f) reads as rewritten:
6 "(1f) The ~~rate of two and eighty-three hundredths percent (2.83%)~~
7 applicable rate provided in the table below applies to the sales
8 price of electricity and piped natural gas described in this
9 subdivision and measured by a separate meter or another device:
10

<u>Effective Date</u>	<u>Rate</u>
<u>October 1, 1997</u>	<u>2.67%</u>
<u>July 1, 1998</u>	<u>2.34%</u>
<u>July 1, 1999</u>	<u>2%</u>
<u>July 1, 2000</u>	<u>1.67%</u>
<u>July 1, 2001</u>	<u>1.34%</u>
<u>July 1, 2002</u>	<u>1%</u>

17 a. Sales of electricity and piped natural gas to farmers to be
18 used by them for any farm purposes other than preparing
19 food, heating dwellings, and other household purposes.
20 The quantity of electricity or gas purchased or used at any
21 one time shall not be a determinative factor as to whether
22 its sale or use is or is not subject to the rate of tax provided
23 in this subdivision.

b. Sales of electricity and piped natural gas to manufacturing industries and manufacturing plants for use in connection with the operation of the industries and plants other than sales of electricity and gas to be used for residential heating purposes. The quantity of electricity or gas purchased or used at any one time shall not be a determinative factor as to whether its sale or use is or is not subject to the rate of tax provided in this subdivision.

c. Sales of electricity and piped natural gas to commercial laundries or to pressing and dry-cleaning establishments for use in machinery used in the direct performance of the laundering or the pressing and cleaning service."

Section 2. Effective July 1, 2002, G.S. 105-164.4(a)(1c) reads as rewritten:

"(1c) The rate of one percent (1%) applies to the sales price of the following articles:

a. Horses or mules by whomsoever sold.

b. Semen to be used in the artificial insemination of animals.

c. Sales of ~~fuel, other than electricity or piped natural gas,~~ fuel and electricity to farmers to be used by them for any farm purposes other than preparing food, heating dwellings and other household purposes. The quantity of fuel or electricity purchased or used at any one time shall not ~~in any manner~~ be a determinative factor as to whether ~~any its~~ sale or use ~~of fuel~~ is or is not subject to the one percent (1%) rate of tax ~~imposed herein; provided in this subdivision.~~

d. Sales of ~~fuel, other than electricity or piped natural gas,~~ fuel and electricity to manufacturing industries and manufacturing plants for use in connection with the operation of ~~such~~ these industries and plants other than sales of ~~fuels~~ fuel or electricity to be used for residential heating purposes. The quantity of fuel or electricity purchased or used at any one time shall not ~~in any manner~~ be a determinative factor as to whether ~~any its~~ sale or use ~~of fuel~~ is or is not subject to the rate of tax provided in this subdivision.

e. Sales of ~~fuel, other than electricity or piped natural gas,~~ fuel and electricity to commercial laundries or to pressing and dry-cleaning establishments for use in machinery used in the direct performance of the laundering or the pressing and cleaning service.

f. Sales to freezer locker plants of wrapping paper, cartons and supplies consumed directly in the operation of such plant."

1 Section 3. Effective July 1, 2002, G.S. 105-164.4(a)(1f) is repealed.

2 Section 4. This act does not affect the rights or liabilities of the State, a
3 taxpayer, or another person arising under a statute amended or repealed by this act
4 before the effective date of its amendment or repeal; nor does it affect the right to
5 any refund or credit of a tax that accrued under the amended or repealed statute
6 before the effective date of its amendment or repeal.

7 Section 5. Sections 2 and 3 of this act become effective July 1, 2002, for
8 cycle billing dates occurring on or after that date. The remainder of this act becomes
9 effective October 1, 1997, for cycle billing dates occurring on or after that date.

1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

- ☐ Committee Substitute for
H.B. 1193 A BILL TO BE ENTITLED AN ACT TO CREATE AN AGRICULTURAL
FAIRS ADVISORY COMMITTEE IN THE DEPARTMENT OF AGRICULTURE AND
TO APPROPRIATE FUNDS FOR LOCAL AGRICULTURAL FAIRS.
- ☐ With a favorable report.
- ☒ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1193

Short Title: Agricultural Fairs Committee/Funds.

(Public)

Sponsors: Representatives Brown, Mitchell, McCrary; and G. Wilson.

Referred to: Agriculture, if favorable, Appropriations.

May 1, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE AN AGRICULTURAL FAIRS ADVISORY COMMITTEE
3 IN THE DEPARTMENT OF AGRICULTURE AND TO APPROPRIATE
4 FUNDS FOR LOCAL AGRICULTURAL FAIRS.
5 The General Assembly of North Carolina enacts:
6 Section 1. Article 45 of Chapter 106 of the General Statutes is amended
7 by adding a new Part to read:
8 "Part 5. Agricultural Fairs Advisory Committee.
9 "§ 106-520.12. North Carolina Agricultural Fairs Advisory Committee.
10 (a) The North Carolina Agricultural Fairs Advisory Committee is created within
11 the Department of Agriculture.
12 (b) The Committee shall consist of five members as follows:
13 (1) The President of the North Carolina Association of Agricultural
14 Fairs, as appointed by that association.
15 (2) Four county agricultural fair managers, to be appointed by the
16 Commissioner of Agriculture.
17 The Commissioner of Agriculture or the Commissioner's designee, shall serve as
18 an ex officio member. The members of the Advisory Committee appointed under
19 subdivision (2) of this subsection shall serve for a term of four years. In the event of
20 a vacancy, the Commissioner shall appoint a replacement in the same manner as for
21 the original appointment to serve for the remainder of the unfinished term.
22 (c) The Commissioner of Agriculture or the Commissioner's designee shall serve
23 as chairman. A majority of the members shall constitute a quorum for the purpose of
24 transacting business.

1 **"§ 106-520.13. Advisory duties.**

2 The Committee shall advise the Commissioner of Agriculture in matters pertaining
3 to the development and improvement of local agricultural fairs.

4 **"§ 106-520.14. Powers and duties of the Commissioner of Agriculture.**

5 (a) The Commissioner of Agriculture, with the advice of the Committee and
6 subject to available funds, may make grants to qualified local agricultural fairs. The
7 Commissioner may make grants to be used by local agricultural fairs to pay premium
8 awards for competitive exhibits of products of agriculture and home economics and
9 of domestic livestock, and for vocational and judging skills.

10 (b) The Commissioner may make grants to help establish new facilities and to
11 improve existing facilities used in conducting events at local agricultural fairs. Grants
12 for facilities shall be made under conditions as may be imposed by the Commissioner
13 with the advice of the Committee. Grants to improve existing facilities shall require
14 matching funds from the local agricultural fair in an amount to be determined by the
15 Commissioner, with the advice of the Committee. Preference shall be given to
16 agricultural fair associations that are most representative of agricultural interests.
17 Grants to establish new agricultural fairs may be made to agricultural fair associations
18 without matching funds.

19 (c) The Commissioner may make grants, not to exceed one thousand dollars
20 (\$1,000) to any one fair, to be used to promote agricultural commodities.

21 **"§ 106-520.15. Eligibility for grants.**

22 (a) In order to be eligible to receive a grant under this Part, a recipient must
23 satisfy all of the following:

24 (1) Sponsor a fair that is licensed as an agricultural fair by the
25 Commissioner of Agriculture pursuant to G.S. 106-520.3.

26 (2) Be a nonprofit or governmental organization.

27 (3) Provide for an annual fair running for at least three days.

28 (4) Present through the medium of youth organizations such as 4-H
29 Clubs, Future Farmers of America, Future Homemakers of
30 America, and other similar organizations, an educational program
31 concerning the production, marketing, and consumption of
32 livestock, poultry, field crops, and horticultural crops.

33 (5) Comply with rules adopted by the Department of Agriculture.

34 (b) Any local agricultural fair or agricultural fair association receiving a grant
35 shall file with the Department of Agriculture by February 1 following the year in
36 which the grant is received satisfactory proof that all State premium awards have
37 been paid. As used in this subsection, 'proof' means a certified financial report
38 notarized and submitted by the treasurer of the local fair association."

39 Section 2. G.S. 106-520 reads as rewritten:

40 **"§ 106-520. Local aid to agricultural, animal, and poultry exhibits.**

41 Any city, town, or county or municipality may appropriate ~~not to exceed one~~
42 ~~hundred dollars (\$100.00)~~ funds to aid any agricultural, animal, or poultry
43 agricultural exhibition held within such city, town, or county. or fair."

44 Section 3. G.S. 106-508, 106-509, and 106-510 are repealed.

1 Section 4. G.S. 106-516.1 reads as rewritten:

2 **"§ 106-516.1. Carnivals and similar amusements not to operate without permit.**

3 Every person, firm, or corporation engaged in the business of a carnival company
4 or a show of like kind, including menageries, merry-go-rounds, Ferris wheels, riding
5 devices, circus and similar amusements and enterprises operated and conducted for
6 profit, shall, prior to exhibiting in any county annually staging an agricultural fair,
7 apply to the sheriff of the county in which the exhibit is to be held for a permit to
8 exhibit. The sheriff of the county shall issue a permit without charge, ~~provided,~~
9 ~~however, that no charge.~~ No permit shall be issued if ~~he shall find~~ the sheriff finds
10 that the requested exhibition date is less than 30 days prior to a regularly advertised
11 agricultural fair ~~and so in conflict with G.S. 105-37.1(d): fair.~~ Exhibition without a
12 permit from the sheriff of the county in which the exhibition is to be held shall
13 constitute a Class 1 ~~misdemeanor.~~ ~~Provided, that nothing~~ misdemeanor. Nothing
14 contained in this section ~~shall prevent~~ prevents veterans' organizations and posts
15 chartered by Congress or organized and operated on a statewide or nationwide basis
16 from holding fairs or tobacco festivals on any dates ~~which~~ that they ~~may~~ select if ~~such~~
17 these fairs or festivals have ~~heretofore~~ been held previously as annual events."

18 Section 5. There is appropriated from the General Fund to the
19 Department of Agriculture the sum of one hundred thousand dollars (\$100,000) for
20 the 1997-98 fiscal year to be used for grants for local agricultural fairs pursuant to
21 Part 5 of Article 45 of Chapter 106 of the General Statutes, as enacted in Section 1 of
22 this act.

23 Section 6. This act becomes effective July 1, 1997.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

- ☐ Committee Substitute for
H.B. 998 A BILL TO BE ENTITLED AN ACT TO ENACT INTO LAW THE
SOUTHERN DAIRY COMPACT, TO DIRECT THE APPOINTMENT OF MEMBERS
FROM NORTH CAROLINA TO THE SOUTHERN DAIRY COMPACT COMMISSION,
AND TO APPROPRIATE FUNDS.
- ☐ With a favorable report.
- ☒ With a favorable report and recommendation that the bill be re-referred to the Committee on
☒ Appropriations.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

S.B. 508 A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT A TURKEY GROWER SHALL NOT BE DISQUALIFIED FROM USE VALUE TAXATION FOR A TWO-YEAR PERIOD IF THE GROWER'S LAND IS TAKEN OUT OF PRODUCTION SOLELY BECAUSE OF THE PRESENCE OF TURKEY DISEASE IN THE AREA.

☐ With a favorable report.

☒ With a favorable report and recommendation that the bill be re-referred to the Committee on
☒ Finance.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to original bill (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**:

☐ Committee Substitute for

H.B. 1055 A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE MANDATORY
ARBITRATION OF CLAIMS RELATED TO DEFECTIVE SEED.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to committee substitute bill ,unfavorable as to original bill and
recommendation that the committee substitute bill be re-referred to the Committee on
Finance.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 1055*
Proposed Committee Substitute H1055-PCS4123

Short Title: Arbitration of Seed Claims.

(Public)

Sponsors:

Referred to:

April 21, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR THE MANDATORY ARBITRATION OF CLAIMS
3 RELATED TO DEFECTIVE SEED.
4 The General Assembly of North Carolina enacts:
5 Section 1. G.S. 106-277.29 is repealed.
6 Section 2. Article 31 of Chapter 106 of the General Statutes is amended
7 by adding the following new sections:
8 **"§ 106-277.30. Condition precedent to filing an action; notice required.**
9 **(a) Complaint by Buyer. -- When a buyer believes that he or she has suffered**
10 **damages due to the failure of agricultural or vegetable seed to produce or perform as**
11 **labeled, as warranted, or as a result of negligence, the buyer shall make a sworn**
12 **complaint against the dealer from whom the seeds were purchased, alleging the**
13 **damages sustained or to be sustained, and file the complaint with the Commissioner**
14 **of Agriculture within such time as to permit inspection of the seed, crops, or plants.**
15 **The buyer shall send a copy of the complaint to the dealer by registered mail. A**
16 **filing fee of one hundred dollars (\$100.00) shall be paid to the Commissioner of**
17 **Agriculture with each complaint filed. This fee may be used by the Commissioner to**
18 **offset the expenses of the arbitration committee incurred under G.S. 106-277.32.**
19 **Within 10 days after receipt of a copy of the complaint, the dealer may file an answer**
20 **to the complaint and, in that event, shall send a copy to the buyer by registered mail.**
21 **(b) Notice Required. -- The seed dealer shall legibly print or type on the seed**
22 **container or affix a label on the seed container a notice in the following form or**
23 **using reasonably equivalent language:**

'Notice of Mandatory Arbitration

Under the seed laws of some states, arbitration is required as a precondition of maintaining certain legal actions against a seller of seed. Information about this requirement where applicable, may be obtained from a State's Commissioner of Agriculture or corresponding chief agricultural official.'

(c) Condition Precedent. -- Complying with subsection (a) of this section is a condition precedent to the buyer's right to file an action against the seed dealer. This subsection does not apply if the seed dealer fails to provide notice as required under subsection (b) of this section.

(d) Investigation Requested by Seed Dealer. -- Any seed dealer against whom an action is brought in any court, State or federal, by a buyer who alleges that the buyer has suffered damages due to the failure of seeds purchased from a seed dealer to perform as labeled, as warranted, or as a result of negligence may request an investigation by the arbitration committee pursuant to G.S. 106-277.32. A filing fee of one hundred dollars (\$100.00) shall be paid to the Department of Agriculture by the party requesting the investigation.

(e) Referral to Committee. -- The Commissioner of Agriculture shall refer the complaint and the answer to the complaint, if any, to the arbitration committee to investigate and make findings and recommendations on the matters complained of pursuant to G.S. 106-277.32.

"§ 106-277.31. Arbitration committee created; membership; duties.

(a) The Commissioner of Agriculture shall appoint an arbitration committee composed of five members, three of whom shall be appointed upon the recommendation of the following: Director of the Agricultural Research Service, North Carolina State University; Director of the North Carolina Cooperative Extension Service, North Carolina State University; and President of the North Carolina Seedsmen's Association. The other two members shall include: one farmer who is not connected in any way to selling seeds at retail or wholesale and one employee of the Department of Agriculture. An alternate for each member shall also be appointed in the same manner as that member was appointed to serve whenever that member is unable or unwilling to serve. Each member of the committee shall serve until replaced by the Commissioner of Agriculture. The committee shall elect a chairperson. The chairperson shall conduct all meetings and deliberations and direct all other activities of the committee.

(b) A clerk shall be appointed to serve the committee. The clerk shall be an employee of the Department of Agriculture. The clerk shall keep accurate and correct records of all meetings and deliberations and perform other duties for the committee as directed by the chairperson.

(c) The purpose of the arbitration committee is to assist seed buyers and agricultural seed dealers in determining the matters alleged in complaints made by buyers against seed dealers.

(d) The arbitration committee may be called into session by the Commissioner of Agriculture at the Commissioner's discretion or upon the direction of the chairperson to consider the matters referred to it by the Commissioner of Agriculture.

1 (e) The Department shall provide administrative support for the investigation
2 under this section. The committee shall adopt rules to govern investigations and
3 hearings. A copy of the rules shall be mailed to each party to a dispute upon receipt
4 of a complaint.

5 (f) Members of the committee appointed by the Commissioner who are not
6 governmental employees shall be entitled to receive reimbursement for necessary
7 travel and subsistence expenses pursuant to G.S. 138-5. Other members of the
8 committee shall not be entitled to any compensation or reimbursement of expenses
9 from the Department of Agriculture.

10 (g) The Attorney General shall represent the committee in any and all legal
11 proceedings that may arise concerning or against the committee.

12 **"§ 106-277.32. Duties of arbitration committee.**

13 (a) In conducting its investigation of claims referred by the Commissioner of
14 Agriculture, the arbitration committee may engage in all of the following activities:

15 (1) Examine the buyer regarding the buyer's use of the seed of which
16 the buyer complains and examine the seed dealer on the dealer's
17 packaging, labeling, and selling of the seed alleged to be faulty.

18 (2) Grow a representative sample of the alleged faulty seed to
19 production when such action is deemed by the committee to be
20 necessary.

21 (3) Hold informal hearings at a time and place directed by the
22 chairperson upon reasonable notice to the buyer and the seed
23 dealer.

24 (4) Seek evaluations from authorities in allied disciplines, when
25 deemed necessary by the committee.

26 (5) Visit and inspect the affected site and take samples, make plant
27 counts, and take pictures of affected and unaffected areas.

28 (b) The committee shall keep a record of its activities and reports on file in the
29 Department of Agriculture. The Department shall transmit all findings and
30 recommendations to the buyer and to the seed dealer within 30 days of completion of
31 the arbitration.

32 (c) No investigation shall be made by less than the whole membership of the
33 committee unless the chairperson directs such investigation in writing. Such
34 investigation shall be summarized in writing and considered by the committee in
35 reporting its findings and making its recommendations.

36 (d) The report of arbitration shall be binding upon all parties to the extent, if any,
37 that they have so agreed in writing subsequent to the filing of a complaint pursuant to
38 G.S. 106-277.30.

39 **"§ 106-277.33. Filing an action regarding a defective seed claim.**

40 (a) In the absence of an agreement to be bound by arbitration, a buyer may file an
41 action against a seed seller or assert such claim as a counterclaim or defense in any
42 action brought by the seed seller at any time after the receipt of the report of
43 arbitration under G.S. 106-277.32.

1 (b) In any action involving a complaint that has been the subject of arbitration
2 under G.S. 106-277.32, any party may introduce the report of arbitration as evidence
3 of the facts found in the report, and the court may give such weight to the
4 committee's findings and conclusions of law and recommendations as to damages and
5 costs as the court deems appropriate, based upon all the evidence before the court.
6 The court may consider any finding of the committee with respect to the failure of
7 any party to cooperate in the arbitration proceedings, including any finding as to the
8 effect of delay in filing the arbitration claim upon the committee's ability to
9 determine the facts of the case."

10 Section 3. There is appropriated from the General Fund to the
11 Department of Agriculture the sum of ten thousand dollars (\$10,000) for the 1997-98
12 fiscal year and the sum of ten thousand dollars (\$10,000) for the 1998-99 fiscal year to
13 be used to implement and administer this act.

14 Section 4. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 1055*
Proposed Committee Substitute H1055-PCS4123

Short Title: Arbitration of Seed Claims.

(Public)

Sponsors:

Referred to:

April 21, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR THE MANDATORY ARBITRATION OF CLAIMS
3 RELATED TO DEFECTIVE SEED.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 106-277.29 is repealed.

6 Section 2. Article 31 of Chapter 106 of the General Statutes is amended
7 by adding the following new sections:

8 "§ 106-277.30. Condition precedent to filing an action; notice required.

9 (a) Complaint by Buyer. -- When a buyer believes that he or she has suffered
10 damages due to the failure of agricultural or vegetable seed to produce or perform as
11 labeled, as warranted, or as a result of negligence, the buyer shall make a sworn
12 complaint against the dealer from whom the seeds were purchased, alleging the
13 damages sustained or to be sustained, and file the complaint with the Commissioner
14 of Agriculture within such time as to permit inspection of the seed, crops, or plants.
15 The buyer shall send a copy of the complaint to the dealer by registered mail. A
16 filing fee of one hundred dollars (\$100.00) shall be paid to the Commissioner of
17 Agriculture with each complaint filed. This fee may be used by the Commissioner to
18 offset the expenses of the arbitration committee incurred under G.S. 106-277.32.
19 Within 10 days after receipt of a copy of the complaint, the dealer may file an answer
20 to the complaint and, in that event, shall send a copy to the buyer by registered mail.

21 (b) Notice Required. -- The seed dealer shall legibly print or type on the seed
22 container or affix a label on the seed container a notice in the following form or
23 using reasonably equivalent language:

'Notice of Mandatory Arbitration

Under the seed laws of some states, arbitration is required as a precondition of maintaining certain legal actions against a seller of seed. Information about this requirement where applicable, may be obtained from a State's Commissioner of Agriculture or corresponding chief agricultural official.'

(c) Condition Precedent. -- Complying with subsection (a) of this section is a condition precedent to the buyer's right to file an action against the seed dealer. This subsection does not apply if the seed dealer fails to provide notice as required under subsection (b) of this section.

(d) Investigation Requested by Seed Dealer. -- Any seed dealer against whom an action is brought in any court, State or federal, by a buyer who alleges that the buyer has suffered damages due to the failure of seeds purchased from a seed dealer to perform as labeled, as warranted, or as a result of negligence may request an investigation by the arbitration committee pursuant to G.S. 106-277.32. A filing fee of one hundred dollars (\$100.00) shall be paid to the Department of Agriculture by the party requesting the investigation.

(e) Referral to Committee. -- The Commissioner of Agriculture shall refer the complaint and the answer to the complaint, if any, to the arbitration committee to investigate and make findings and recommendations on the matters complained of pursuant to G.S. 106-277.32.

"§ 106-277.31. Arbitration committee created; membership; duties.

(a) The Commissioner of Agriculture shall appoint an arbitration committee composed of five members, three of whom shall be appointed upon the recommendation of the following: Director of the Agricultural Research Service, North Carolina State University; Director of the North Carolina Cooperative Extension Service, North Carolina State University; and President of the North Carolina Seedsmen's Association. The other two members shall include: one farmer who is not connected in any way to selling seeds at retail or wholesale and one employee of the Department of Agriculture. An alternate for each member shall also be appointed in the same manner as that member was appointed to serve whenever that member is unable or unwilling to serve. Each member of the committee shall serve until replaced by the Commissioner of Agriculture. The committee shall elect a chairperson. The chairperson shall conduct all meetings and deliberations and direct all other activities of the committee.

(b) A clerk shall be appointed to serve the committee. The clerk shall be an employee of the Department of Agriculture. The clerk shall keep accurate and correct records of all meetings and deliberations and perform other duties for the committee as directed by the chairperson.

(c) The purpose of the arbitration committee is to assist seed buyers and agricultural seed dealers in determining the matters alleged in complaints made by buyers against seed dealers.

(d) The arbitration committee may be called into session by the Commissioner of Agriculture at the Commissioner's discretion or upon the direction of the chairperson to consider the matters referred to it by the Commissioner of Agriculture.

1 (e) The Department shall provide administrative support for the investigation
2 under this section. The committee shall adopt rules to govern investigations and
3 hearings. A copy of the rules shall be mailed to each party to a dispute upon receipt
4 of a complaint.

5 (f) Members of the committee appointed by the Commissioner who are not
6 governmental employees shall be entitled to receive reimbursement for necessary
7 travel and subsistence expenses pursuant to G.S. 138-5. Other members of the
8 committee shall not be entitled to any compensation or reimbursement of expenses
9 from the Department of Agriculture.

10 (g) The Attorney General shall represent the committee in any and all legal
11 proceedings that may arise concerning or against the committee.

12 **"§ 106-277.32. Duties of arbitration committee.**

13 (a) In conducting its investigation of claims referred by the Commissioner of
14 Agriculture, the arbitration committee may engage in all of the following activities:

15 (1) Examine the buyer regarding the buyer's use of the seed of which
16 the buyer complains and examine the seed dealer on the dealer's
17 packaging, labeling, and selling of the seed alleged to be faulty.

18 (2) Grow a representative sample of the alleged faulty seed to
19 production when such action is deemed by the committee to be
20 necessary.

21 (3) Hold informal hearings at a time and place directed by the
22 chairperson upon reasonable notice to the buyer and the seed
23 dealer.

24 (4) Seek evaluations from authorities in allied disciplines, when
25 deemed necessary by the committee.

26 (5) Visit and inspect the affected site and take samples, make plant
27 counts, and take pictures of affected and unaffected areas.

28 (b) The committee shall keep a record of its activities and reports on file in the
29 Department of Agriculture. The Department shall transmit all findings and
30 recommendations to the buyer and to the seed dealer within 30 days of completion of
31 the arbitration.

32 (c) No investigation shall be made by less than the whole membership of the
33 committee unless the chairperson directs such investigation in writing. Such
34 investigation shall be summarized in writing and considered by the committee in
35 reporting its findings and making its recommendations.

36 (d) The report of arbitration shall be binding upon all parties to the extent, if any,
37 that they have so agreed in writing subsequent to the filing of a complaint pursuant to
38 G.S. 106-277.30.

39 **"§ 106-277.33. Filing an action regarding a defective seed claim.**

40 (a) In the absence of an agreement to be bound by arbitration, a buyer may file an
41 action against a seed seller or assert such claim as a counterclaim or defense in any
42 action brought by the seed seller at any time after the receipt of the report of
43 arbitration under G.S. 106-277.32.

1 **(b) In any action involving a complaint that has been the subject of arbitration**
2 **under G.S. 106-277.32, any party may introduce the report of arbitration as evidence**
3 **of the facts found in the report, and the court may give such weight to the**
4 **committee's findings and conclusions of law and recommendations as to damages and**
5 **costs as the court deems appropriate, based upon all the evidence before the court.**
6 **The court may consider any finding of the committee with respect to the failure of**
7 **any party to cooperate in the arbitration proceedings, including any finding as to the**
8 **effect of delay in filing the arbitration claim upon the committee's ability to**
9 **determine the facts of the case."**

10 Section 3. There is appropriated from the General Fund to the
11 Department of Agriculture the sum of ten thousand dollars (\$10,000) for the 1997-98
12 fiscal year and the sum of ten thousand dollars (\$10,000) for the 1998-99 fiscal year to
13 be used to implement and administer this act.

14 Section 4. This act becomes effective July 1, 1997.

BILLBOARD FORM

Committee

[illegible]

BILLBOARD FORM

Committee

[illegible]

BILLBOARD FORM

Committee

[illegible]

ROLL CALL VOTE

YES NO = (TOTAL)

HB# _____
 SB# _____

HOUSE STANDING COMMITTEE ON AGRICULTURE

House Subcommittee on _____

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
_____	_____	BROWN,CHAIR	_____	_____	
_____	_____	CULP, V.CHAIR	_____	_____	
_____	_____	CARPENTER, V.CHAIR	_____	_____	
_____	_____	MITCHELL, V.CHAIR	_____	_____	
_____	_____	HILL, RANKING M.M.	_____	_____	
_____	_____	ALDRIDGE	_____	_____	WEATHERLY
_____	_____	BAKER	_____	_____	YONGUE
_____	_____	BUCHANAN	_____	_____	
_____	-----	DAVIS	_____	_____	
_____	_____	EDDINS	_____	_____	
_____	_____	FOX	_____	_____	
_____	_____	HARDAWAY	_____	_____	
_____	_____	HIGHTOWER	_____	_____	
_____	_____	HUNTER,H.	_____	_____	
_____	_____	KISER	_____	_____	
_____	_____	MCCRARY	_____	_____	
_____	_____	MERCER	_____	_____	
_____	_____	NICHOLS	_____	_____	
_____	_____	OWENS	_____	_____	
_____	_____	REYNOLDS	_____	_____	
_____	_____	ROGERS	_____	_____	
_____	_____	SMITH	Ex officio Members		
_____	_____	TOLSON	_____	_____	Speaker Pro Tem
_____	_____	WATSON	_____	_____	Majority Leader

ROLL CALL VOTE

YES _____ NO _____ = _____ (TOTAL)

HB# _____
 SB# _____

HOUSE STANDING COMMITTEE ON AGRICULTURE

House Subcommittee on _____

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
_____	_____	BROWN,CHAIR	_____	_____	
_____	_____	CULP, V.CHAIR	_____	_____	
_____	_____	CARPENTER, V.CHAIR	_____	_____	
_____	_____	MITCHELL, V.CHAIR	_____	_____	
_____	_____	HILL, RANKING M.M.	_____	_____	
_____	_____	ALDRIDGE	_____	_____	WEATHERLY
_____	_____	BAKER	_____	_____	YONGUE
_____	_____	BUCHANAN	_____	_____	
_____	-----	DAVIS	_____	_____	
_____	_____	EDDINS	_____	_____	
_____	_____	FOX	_____	_____	
_____	_____	HARDAWAY	_____	_____	
_____	_____	HIGHTOWER	_____	_____	
_____	_____	HUNTER,H.	_____	_____	
_____	_____	KISER	_____	_____	
_____	_____	MCCRARY	_____	_____	
_____	_____	MERCER	_____	_____	
_____	_____	NICHOLS	_____	_____	
_____	_____	OWENS	_____	_____	
_____	_____	REYNOLDS	_____	_____	
_____	_____	ROGERS	_____	_____	
_____	_____	SMITH	Ex officio Members		
_____	_____	TOLSON	_____	_____	Speaker Pro Tem
_____	_____	WATSON	_____	_____	Majority Leader

ROLL CALL VOTE

YES NO = _____(TOTAL)

HB# _____
 SB# _____

HOUSE STANDING COMMITTEE ON AGRICULTURE

House Subcommittee on _____

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
_____	_____	BROWN,CHAIR	_____	_____	
_____	_____	CULP, V.CHAIR	_____	_____	
_____	_____	CARPENTER, V.CHAIR	_____	_____	
_____	_____	MITCHELL, V.CHAIR	_____	_____	
_____	_____	HILL, RANKING M.M.	_____	_____	
_____	_____	ALDRIDGE	_____	_____	WEATHERLY
_____	_____	BAKER	_____	_____	YONGUE
_____	_____	BUCHANAN	_____	_____	
_____	-----	DAVIS	_____	_____	
_____	_____	EDDINS	_____	_____	
_____	_____	FOX	_____	_____	
_____	_____	HARDAWAY	_____	_____	
_____	_____	HIGHTOWER	_____	_____	
_____	_____	HUNTER,H.	_____	_____	
_____	_____	KISER	_____	_____	
_____	_____	MCCRARY	_____	_____	
_____	_____	MERCER	_____	_____	
_____	_____	NICHOLS	_____	_____	
_____	_____	OWENS	_____	_____	
_____	_____	REYNOLDS	_____	_____	
_____	_____	ROGERS	_____	_____	
_____	_____	SMITH	Ex officio Members		
_____	_____	TOLSON	_____	_____	Speaker Pro Tem
_____	_____	WATSON	_____	_____	Majority Leader

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

FEBRUARY 11, 1997

The House Committee on Agriculture had its opening meeting on February 11, 1997 at 10: a.m. in Room 1425 of the Legislative Building. Representative John W. Brown, Chairman of the House Agriculture Committee presided with 23 House Members present and 3 House Members absent.

After introducing staff and counsel to the members, Chairman Brown welcomed and asked each Committee Member to give a brief resume of themselves.

Mr. Brown asked for volunteers to sponsor a Committee breakfast at the Farmers Market. Mr. Roger Bone with Bone and Associates volunteered the first breakfast. Arrangements will be made for a Wednesday morning.

The meeting adjourned at 10:30 a.m.

JOHN W. BROWN, CHAIRMAN

ANNA P. KIDD, CLERK

VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE

Name of Committee

FEBRUARY 11, 1997

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

June Brotherton

NC State / The UNC - Ag Program

Andy Ell

NC Fam Bureau

Peter Daniel

NCD A

7. Carlisle T. Tazewell

Coop Council

Paula Koff

ne 710

Rudney Johnson

Legislative Clerk

Caren Walker

Legislative intern

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: **TUESDAY, FEBRUARY 18, 1997**

TIME: **10:00 A.M.**

LOCATION: **1425 LB**

The following bills will be considered (Bill # & Short Title):

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
11:00 A.M. on Thursday, February 13, 1997.

___ Principal Clerk
___ Reading Clerk - House Chamber

Anna Kidd (Committee Clerk)

AGENDA

HOUSE AGRICULTURE COMMITTEE FEBRUARY 18, 1997

- I. CALL MEETING TO ORDER
- II. REMARKS BY CHAIRMAN
- III. INTRODUCTION OF PAGES
- IV. DR. DURWARD BATEMAN, DEAN
COLLEGE OF AGRICULTURE AND LIFE SCIENCES
NCSU
- V. JUNE BROTHERTON
ASSISTANT TO THE CHANCELLOR, NCSU
- VI. ANNOUNCEMENTS
- VII. ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

FEBRUARY 18, 1997

The House Committee on Agriculture met on Tuesday, February 18, 1997 at 10:00 a.m. in Room 1425 of the Legislative Building. Representative John W. Brown, Chairman of the House Agriculture Committee presided with twenty one House Members present and five House Members absent.

Chairman Brown introduced the pages and welcomed all the guests to the Agriculture meeting. At this time, Mr. Brown turned the meeting over to Dean Durward Bateman, Dean of the College of Agriculture and Life Sciences NCSU. The Dean stated that 30 years ago North Carolina mostly depended on one cash crop. Over the years the state has become diversified in agriculture. People who are not in farming do not realize how important agriculture is to their lives. North Carolina now realizes \$7 billion in income from farming.

Dean Bateman next presented the committee members with the Budget requests for the Agriculture Programs 1997-1999 Expansion Budget (Attachment I). Dean Bateman stated that the \$6 million request in new funding has been sanctioned by the Board of Governors.

Under the 1997-1999 Capital Improvement Budget Priorities- \$14.6 million is requested for the Toxicology Facility Centennial Campus in order to increase the current capacity (Attachment II and III). Members were able to view a short video on the status of the facility. Several questions followed the video.

Dean Bateman stated that the NCSU's Agriculture Programs 1997-1999 Expansion Budget were as follows (Attachment IV):

- Agriculture research and extension equity funds - \$3.1 million
- Agricultural production and life sciences industries -\$1.4 million
- Natural resources and the environment-\$900,000
- Communities and rural development-\$600,000

At this time Dean Bateman introduced June M. Brotherton, Assistant to the Chancellor. Due to the time schedule, Ms. Brotherton turned the meeting over to Dean Larry Tombaugh, College of Forest Resources who spoke on behalf of the forestry sector. Dean Tombaugh stated that the Forestry Department is working closely with the Agriculture Department and their main concern is with the \$3.1 million in Agricultural Research and Extension Equity Funds. Questions were taken from the floor.

Chairman Brown next introduced Larry K. Monteith, Chancellor of NCSU. The Chancellor announced to the members that graduation rate is up at NCSU and the university now offers 9,000 credit hours. He asked the committee members to support the \$3.1 million in Equity funds. He further stated that the \$3.1 million is needed to make salary adjustments permanent and repay campus loan, avoiding further program reductions.

There being no further business, the meeting was adjourned at 11:00 a.m.

JOHN W. BROWN, CHAIRMAN

ANNA P. KIDD, CLERK

NC State University

Agricultural Programs

1997 – 1999 Expansion Budget

I. Agricultural Research & Extension Equity Funds — \$3.1 million

Background. In 1995, the Legislature approved a tuition increase of \$400 per student at the state's two research universities — NC State and UNC-Chapel Hill. NC State used its additional tuition monies to increase the amount of financial aid available to students and to improve the academic and research capability of the NCSU libraries, which then ranked 101st out of 107 research libraries. During the 1996 Short Session, legislators voted to match the tuition increase for NC State and UNC-CH with \$17 million in academic enhancement monies. Because experience and recent salary surveys had shown that NC State was not competitive with its peers in faculty salaries, NC State administrators used its \$8.7 million share of those funds to increase its ability to recruit and retain top-notch faculty. However, the manner in which the funds were allocated to NC State prevented all faculty from having an equal opportunity to receive the merit-based awards.

Situation. Agricultural Research Service and Cooperative Extension Service faculty paid through the Agricultural Programs budget of the university have not been treated equitably in the determination of eligibility for special faculty salary adjustments. In the 1995-96 fiscal year, the Legislature approved an additional salary adjustment — in addition to the across-the-board salary adjustments for all state employees — for teaching faculty paid through the 030 Academic Programs budget code at the two research universities. As a result, Agricultural Research Service and Cooperative Extension Service faculty who were paid through the 031 and 032 budgets, respectively, were not eligible. To address the inequity of this situation and to retain critical faculty working in environmental, animal and crop production, biotechnology, bioprotection and other areas critical to the economic development of the state, the College of Agriculture and Life Sciences implemented program budget cuts and reallocated the monies so their faculty could be eligible for the same salary adjustments as their Academic Programs-paid peers.

From the 1996-97 Short Session, all state employees received a 4.5% salary increase, which was

supplemented by an additional 0.5% increase for Academic Programs faculty (030 budget code) at the universities. CALS administration reallocated funds to permit all research and extension faculty paid through the 031 and 032 budgets to receive the additional 0.5% salary increase.

When NC State received the \$8.7 million in tuition match funds, these monies were not awarded to faculty in an across-the-board increase. Rather, the funds were to be awarded selectively based upon special criteria. Once again, Agricultural Research Service and Cooperative Extension Service faculty were excluded because their salaries were funded through the 031 and 032 budget codes. Since no funds were available for this purpose, the Cooperative Extension Service funded the increases for its faculty from one-time federal carry-over funds until July 1, 1997. The Agricultural Research Service was forced to borrow the funds temporarily from the university administration to fund increases for its faculty until July 1, 1997.

Need. The amount of funds required to retain the 1996-97 academic enhancement increase, \$3.1 million, cannot be absorbed on a recurring basis by CALS. NC State's Agricultural Programs Budget needs \$3.1 million in recurring funds to replace the one-time monies funding the 1996-97 equity adjustments, or further major program cuts will be necessary. Any additional cuts of this magnitude would jeopardize the college's leadership position in agricultural and environmental research and extension and the high-quality faculty who provide the foundation for that leadership position. These programs of research and extension are unique in the state, and with the environmental and economic challenges currently facing the state, these valuable programs — and the faculty who lead them — cannot afford to be weakened.

Contact: *Chancellor Larry K. Monteith or Assistant to the Chancellor June M. Brotherton at 515-2191, or Dean Durward Bateman, College of Agriculture and Life Sciences, at 515-2668.*

II. Agricultural Production and Life Science Industries — \$1.4 million

A. Value-added Products and Processes

In addition to benefitting from the sale of tobacco and other field crops, meats, seafood, small fruits, and vegetables, North Carolina also gains by adding value to those food commodities through processing. The Meats Processing Laboratory to be constructed soon will provide opportunities for expanded research and demonstration efforts in value-added processing of meats and seafood and in improving food inspection and worker safety. Increased funds are needed for those research and development activities and also for the application of genetic engineering techniques to develop new and improved crop plants that can enhance profitability and expand marketing opportunities for North Carolina agricultural products.

B. Cropping Systems & Precision Agriculture

1. Precision Agriculture

Modern agricultural production relies heavily on sophisticated technologies. For example, advanced positioning systems (GPS and GIS) enable producers to adjust application rates for crop nutrients and other inputs to the production capability at specific sites, reducing waste and preventing the release of unneeded inputs into the environment. Funds are requested to further develop these and other new technologies and to educate producers in their application.

2. Integrated Pest Management

By coupling accurate assessments of the potential for crop damage with an array of pest and disease management measures, integrated pest management (IPM) enables agricultural producers to minimize costs and environmental risk by applying pest management measures only when needed. Support is sought for research to enhance the reliability of IPM strategies and for extension programs to help producers understand and apply IPM practices.

3. Best Management Practices

The cornerstone of efforts to reduce nonpoint-source pollution from agricultural lands are "best management practices" (BMPs) developed through years of research. BMPs provide a powerful tool for reducing the release of sediments, nutrients, agricultural chemicals, and waste products into the environment. As production systems become larger and more complex, expanded research programs are needed to further refine and test BMPs, and educational programs are needed to help producers understand and apply these practices.

C. Animal Production Systems

1. Animal and Poultry Nutrition Related to Waste Management

The increasing scale and density of our state's animal and poultry industries present challenges to maintaining profitability while protecting environmental quality. A key to addressing these issues is systemwide nutrient management. Substantially expanded research and extension efforts are needed to minimize the volume of the waste stream and to develop and help producers apply advanced methods for converting by-products and wastes to value-added products.

2. Animal Feed Processing & Feed Mill Management

The production of suitable feeds is critical to the food animal industry, a need met by our state's 55 large feed mills. Research and extension programs are needed to assist the feed industry in developing the necessary expertise in ingredient purchasing, complex machinery operation, animal nutrition, ingredient and product testing, compliance with governmental regulations affecting feed production, and the use of alternative crops as feedstuffs.

3. Animal System Engineering

As the animal industry has grown, so has the need for engineering solutions to issues of animal health and welfare, waste management, and the design of animal housing, transportation, and processing systems. New funds are needed to expand bioengineering research and extension programs to produce a safer, healthier environment for animals and workers.

D. Turf and Ornamental Plants

1. Turf Management Research and Extension

North Carolina's large and growing turf industry needs the support of expanded research and extension programs aimed at developing and promoting the adoption of new varieties, managing production enterprises, minimizing damage from pests and diseases, and encouraging adoption of practices that sustain or enhance environmental quality.

2. Introduction of New Ornamental Plants

The NCSU Arboretum is an important resource for our green industries. The Arboretum collects, cultivates, evaluates, and promotes commercial production of a wide range of new plants and varieties well adapted to North Carolina landscapes. Additional support is needed to meet the expanding demand for the Arboretum's teaching, research, and outreach services.

III. Natural Resources and the Environment — \$900,000

A. Water Quality Issues in Fisheries Management

Declines in the quality of the state's coastal waters have led to marginal conditions in fish habitats, hindered commercial and recreational use of those waters, and threatened human health, with significant economic implications. However, the exact impacts of water quality degradation on fish habitats such as nursery areas, vegetation beds, and wetlands is not known. Funds are needed for research to gain a better understanding of the ecological relationship between fishery productivity and water quality, to explore potential management strategies for fish habitats, and to evaluate the direct socio-economic impacts of water quality management and policy decisions.

B. Water and Air Quality

1. Public and Producer Education on Environmental Issues

Consumers, agricultural producers, and policy makers play vitally important roles in addressing public policy issues related to environmental quality. To ensure that they can fulfill those roles effectively, support is needed for expanded educational programs to help them understand environmental issues and the consequences of various alternatives. Furthermore, consumers and agricultural producers need expanded educational programs that will help them reduce and manage waste more effectively and that will promote the adoption of best management practices (BMPs) in homes, on lawns, and on farms to ensure that sediments, nutrients, and chemicals are not released into environmentally sensitive areas.

2. Research Programs to Improve Water and Air Quality

Clean, safe water and air are important not only to quality of life for North Carolina's citizens but to our economy as well. Successful research and extension programs have been helping the state to assess its water quality and to develop and implement strategies for resolving water quality problems where they are found. Given the increasing pressures on land use, the need to continue and expand these efforts is great. Air quality, too, has become an issue in the state. The agricultural industry is both a source and a receptor of airborne pollutants such as nitrogenous compounds, pesticides, dust, and odor-producing compounds. Support is needed for inter-

disciplinary research teams to measure flows of airborne pollutants into and out of agricultural systems, to study the biological and physical processes within those systems, and to use that knowledge in developing best management practices that will protect and improve air quality.

3. Research and Extension Programs at the Center for Environmental Farming Systems

Located at Goldsboro, the Center for Environmental Farming Systems is dedicated to the development of farming systems that are environmentally, economically, and socially sustainable. Research and educational activities are being focused on three areas: sustainable agriculture, reduced tillage systems, and organic farming. Funding is needed to support the efforts of interagency teams from NC State University, NC A&T State University, and the North Carolina Department of Agriculture, along with agricultural interests, who will work to design and conduct farm-scale trials of profitable agricultural production systems that are environmentally sustainable and that meet society's needs for a dependable supply of high-quality food and fiber.

C. Sustainable Forest Management

1. Southern Center for Sustainable Forestry

To improve the science and practice of sustainable forestry, development of a Center for Sustainable Forestry is planned. Resources are sought to achieve the center's objectives: to improve research on intensive management and monitoring of forests and environmentally sensitive areas, to expand knowledge about protecting and restoring ecologically sensitive areas, to identify forest resource issues and develop scientific responses, and to transfer new knowledge to resource managers, private forest landowners, and citizens.

2. Forest Management Education for Professional Foresters and Forest Owners

Pressures from urbanization, intensive agriculture, and expanding demands for forest products are making intensive forest management practices more important. Resources are needed to develop programs that will help professional foresters and individual forest landowners learn about and apply new forest management technologies and best management practices (BMPs) to protect or enhance the forest resource and the environment.

IV. Communities and Rural Development — \$600,000

A. Youth and Family Programs

1. Environmental Education for Youth

An environmentally responsible citizenry in the future will be vitally important to furthering today's efforts to protect our natural environment. Our school-age children will be making key decisions about environmental issues within a few years. Resources are needed to develop curricula and train teachers for environmental education experiences to be provided through school enrichment and after-school programs, science clubs, and year-round camping and conference center programming.

2. Youth Development and Youth-At-Risk Programming

Juvenile and teen problems are rated by the League of Municipalities and the Council of Mayors as one of two leading issues they are confronting. Furthermore, quality care for children will be vital to welfare reform. Resources are needed for personnel, training, and curriculum materials to expand successful efforts that link university resources with local communities in developing quality after-school programs for youth.

3. Intervention Programs for Youth at Risk

There is an urgent need to support local programs that can help redirect youth identified as needing early intervention. Effective university-community partnerships have been established in local SOS programs targeting high-risk communities and youth and through the Community-Based Alternative Program and the governor's One-on-One program. Resources are needed to extend more technical assistance, training, and curriculum materials to a greater number of counties to support these intervention programs.

4. Financial Management Program for Individuals, Families, and Family Businesses

Most individuals and families are poorly prepared for the financial responsibilities they face every day. Young adults and limited-resource families especially need assistance in developing the knowledge, skills, and discipline required to manage resources wisely and plan a sound financial future. Resources are sought to enhance the ability of extension educators to meet these needs.

B. Distance Education

Multimedia computer systems, global computer networks, the state's interactive video network (NC-REN), the North Carolina Information Highway, and videotape capabilities have made it possible to deliver both traditional classroom education and a wide range of nontraditional educational opportunities to learners across the state. Through these technologies, learners are becoming able to access the vast information and educational resources of the university at times and places convenient to them. To take education further beyond its traditional bounds of space and time, resources are needed to redesign educational programs for interactive online delivery and to provide the necessary technologies and support personnel.

C. Outreach and Distance Education in Support of K-12 Education

Educators are seeking to tap the potential of the university through outreach and distance education to benefit our state's K-12 youth and their families. The Department of 4-H Youth Development has had great success with both approaches through its school enrichment and after-school program designs. Additional funding is needed to make grade-appropriate curriculum materials available in electronic form and to train K-12 educators in use of science-based curricula via the statewide interactive video network so that these valuable university resources can be made available to all school systems regardless of wealth.

D. Rural Tourism

Tourism generates more than \$9 billion annually to the North Carolina economy and has been identified as the state's second largest industry. Although urban areas have the resources needed to promote, develop, and manage tourism, rural residents need assistance in developing the political support, public policies, infrastructure, and resources necessary for positive tourism development. Funding is needed for research and extension programs that will focus on infrastructure requirements for tourism, overcoming barriers to tourism development, the role that tourism can play in community revitalization and development, and training of underemployed rural residents for careers in the tourism industry.

*... educating future leaders
of commerce, government,
education and industry ...*

NC State's unique **management** program teaches managers how to lead science-and-technology-based businesses and industries, helping them create new jobs for North Carolinians. Our **design** program trains students to design buildings, landscaping, publications and products that are functional and attractive. Our dedicated **education and psychology** faculty conduct research and create outreach partnerships that support and enhance K-12 and community college programs and teacher effectiveness ... aimed at ensuring the best education for all of our children.

Physical and biological science programs boast strengths in areas such as marine sciences, waste management and meteorology, addressing the environmental issues facing municipalities, agriculture, river basins, coastal areas and the people who make a living in them. Their work also provides more accurate advance warning of hurricanes and other life-threatening weather events.

Superb programs in the **social sciences, humanities and basic sciences** provide students the foundation they need to understand the basic historical, ethical, technological, scientific and communications principles necessary for success as leaders and the ability to apply them.

Larry K. Monteith
Chancellor
919/515-2191

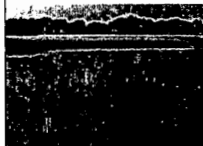
June M. Brotherton
Assistant to the Chancellor
919/515-2191

Durward F. Bateman
Dean
College of Agriculture & Life Sciences
919/515-2668

For additional information, contact

ATTACHMENT II

People are
talking about...



NC STATE UNIVERSITY

...Environment

...Education

...Technology

...Economic Development

People are
talking about
NC State.

The knowledge generated at NC State is the future of this state and its people ... **educating** future leaders of commerce, government, education and industry ... **creating and discovering new knowledge** to make our state more prosperous and increase the quality of life for citizens ... and **extending the mind power of the state's only Research I land-grant university** to solve practical problems.

Yes, NC State. The state's only Research I land-grant university with historic strengths in science and technology ... complemented by strong social sciences and humanities programs. The People's University. A public university uniquely created to apply its laboratory discoveries in practical solutions to the problems of the state's people, government, communities, industries and businesses. A university that prepares our state's young people to become innovative — yet practical — leaders.

Engineering, agriculture, textiles, and forestry ... programs that support the traditional major industries of the state. NC State has one-of-a-kind, comprehensive programs in these areas. Our faculty and staff continue to create new knowledge that helps our industries maintain their cutting edge, competitive leadership ... while protecting and enhancing the environment and quality of life for the state's citizens. NC State graduates lead many of these firms and industries.

the total list of projects submitted by the UNC Board of Governors. The General Assembly, the following requests are of special interest and high priority to NC State:

1997-99 Expansion Budget Priorities

	1997-98	1998-99
Achieve and maintain competitive faculty salaries		
▪ Academic Affairs Budget	\$8.6 M	\$9.8 M
▪ Agricultural Programs Budget	\$2.5 M	\$2.6 M
	\$11.1 M	\$12.4 M
1. Eliminate 2% reversion from Academic Affairs Budget (requires no new funds)	\$4.3 M	\$4.3 M
2. Invest in Graduate Education and Research	\$9.0 M	\$9.0 M
▪ Eliminate transfer of 10% of overhead receipts from Academic Affairs Budget	(total for the UNC Universities)	
▪ Tuition remission for more graduate students		
3. Provide salary equity & support to agricultural researchers and Cooperative Extension field faculty in Agricultural Programs Budget	\$3.1 M	\$3.1 M
4. Eliminate 2% reversion from Agricultural Programs Budget (requires no new funds)	\$1.6 M	\$1.6 M

1997-99 Capital Improvement Budget Priorities

	Amount	Category
1. Nelson Hall Renovation - Phase II	\$ 8.3 M	increase current capacity critical to accreditation
2. Toxicology Facility - Centennial Campus	\$14.6 M	increase current capacity
3. Research & Teaching Feed Mill	\$ 2.6 M	special purpose use
4. Undergraduate Science Teaching Labs - Phase I	\$21.9 M	enhance program quality
5. Riddick, Mann, Daniels & Burlington Hall Renovations	\$ 8.6 M	enhance program quality
6. College of Veterinary Medicine Main Building Addition	\$24.3 M	increase current capacity
7. David Clark Laboratories Addition & Renovation	\$ 10 M	increase current capacity

Complete Listing of 1997-99 Expansion Budget Request

NC State University

Academic Affairs

Eliminate required 2% reversion (*no new funds required*)
 Eliminate required transfer of 10% of overhead receipts
New funds required for the following:
 Technology - Computing and Telecommunications
 Enhance Teaching and Learning
 Improvements in Services & Cost-Effectiveness
 Library Improvements
 Inter-Institutional Programs
 Sea Grant Program
 Water Resources Research Institute

	1997-98	1998-99
	\$ 4.3 M	\$ 4.3 M
	\$ 1.5 M	\$ 1.5 M
	\$ 1.9 M	\$ 1.9 M
	\$ 1 M	\$ 1 M
	\$ 1.5 M	\$ 1.5 M
	\$ 83 K	\$ 83 K
	\$ 100 K	\$ 100 K

Total — Academic Affairs

\$4.5 M	\$4.5 M

Agricultural Programs

Eliminate required 2% reversion (*no new funds required*)
 Program Enhancements - Faculty Salary Equity & Support
 Agricultural Production & Life Sciences Industries
 Natural Resources and the Environment
 Communities & Rural Development

	1997-98	1998-99
	\$ 1.6 M	\$ 1.6 M
	\$ 3.1 M	\$ 3.1 M
	\$ 1.4 M	\$ 1.4 M
	\$ 900 K	\$ 900 K
	\$ 600 K	\$ 600 K

Total — Agricultural Programs

\$6 M	\$6 M

Faculty Salaries (6% each year)

	1997-98	1998-99
	\$ 48 M	\$ 100 M

Current Operations

1. Enrollment Changes
2. Funding Equity
3. Information Technology -- Computing & Telecommunications
4. Libraries
5. Rewarding Teaching Excellence
6. University Outreach to Public Schools
7. New Degree Programs
8. Graduate Education & Research
9. Area Health Education Centers
10. Administrative Support for New Processes
11. Remove 2% Reversion Requirement
12. Distinguished Professors Endowment Trust Fund/State Match
13. Inter-institutional Programs

\$ (1.9 M)	\$ (1.9 M)
\$ 21 M	\$ 21 M
\$ 19 M	\$ 20 M
\$ 13 M	\$ 12 M
\$ 6 M	\$ 6 M
\$ 6 M	\$ 6 M
\$ 3 M	\$ 3 M
\$ 9 M	\$ 9 M
\$ 4 M	\$ 4 M
\$ 900 K	\$ 900 K
No appropriation needed	
\$ 2 M	\$ 2 M
\$ 2 M	\$ 2 M

Total — Current Operations

\$ 84 M	\$ 96 M

Capital Improvements

1. Repairs and Renovations
2. Fire Safety Improvements, Student Residence Halls
3. 1997 University-Wide Facilities Plan

1997-99
\$ 130 M
\$ 70 M
\$ 643 M

Total — Capital Improvements

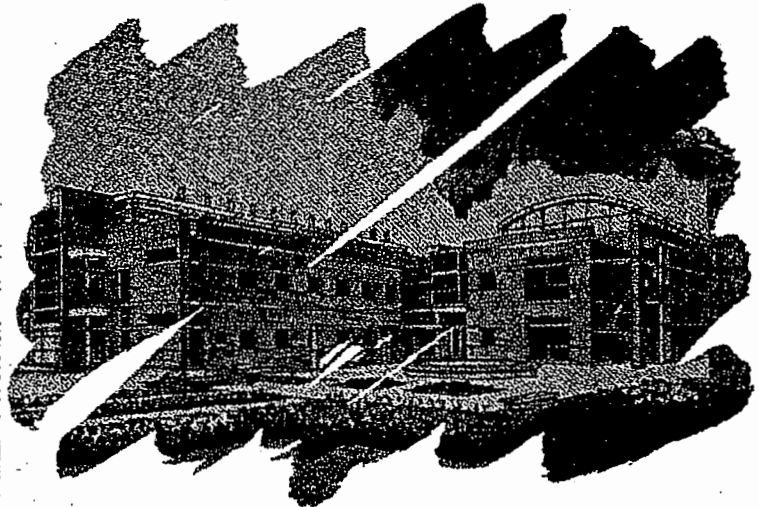
\$ 843 M

University of North Carolina
1997-99 Budget Requests

TOXICOLOGY

N. NORTH CAROLINA

Benefits and Needs



Today, billions of dollars are brought into our state's economy through the many institutes and companies related to or dependent upon toxicology . . .



NC State University

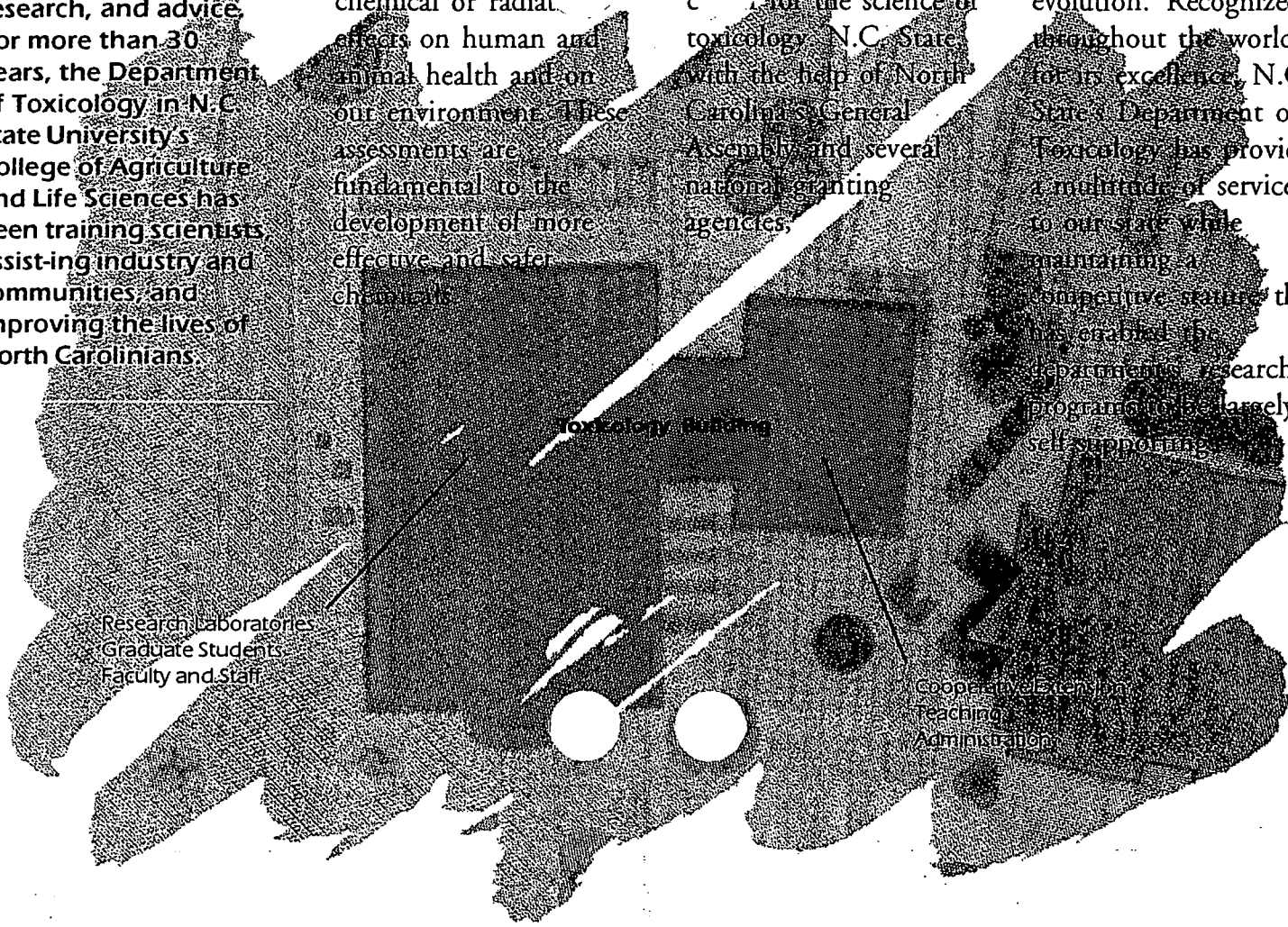
... Tomorrow, new technology-based industries will require sound, objective toxicological teaching, research, and advice. For more than 30 years, the Department of Toxicology in N.C. State University's College of Agriculture and Life Sciences has been training scientists, assisting industry and communities, and improving the lives of North Carolinians.

Toxicology and North Carolina

Toxicology is the study and assessment of chemical or radiation effects on human and animal health and on our environment. These assessments are fundamental to the development of more effective and safer chemicals.

North Carolina is the foremost international center for the science of toxicology. N.C. State, with the help of North Carolina's General Assembly and several national granting agencies,

has played an important role in this science's evolution. Recognized throughout the world for its excellence, N.C. State's Department of Toxicology has provided a multitude of services to our state while maintaining a competitive stature that has enabled the department's research programs to be largely self-supporting.



Research Laboratories
Graduate Students
Faculty and Staff

Toxicology Building

Cooperative Extension
Teaching
Administration

Recent Research Highlights

- Environmental fate and distribution of agricultural and industrial chemicals in waterways, ground water, and air
- Molecular biology and biochemistry of enzyme systems that metabolize pesticides in mammals and insects with emphasis on resistance of insects to insecticides and on human metabolism of pesticides
- Use of advanced genetic techniques in studies of chemical carcinogenesis and in the study of the induction of enzymes that metabolize pesticides
- Sensitivity of female mice to skin cancer providing new insight into the mechanism of cancer development and, indirectly, into new understanding of the hair follicle and production of hair fiber
- Effect of environmental chemicals on hormone status

Toxicology Tomorrow

N.C. State's toxicology program has served North Carolina well in the past, but if continued success will require the resources and facilities to respond aggressively and efficiently to the toxicological problems and risks that lie in North Carolina's tomorrow.

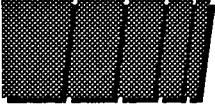
The department's future contributions to our state will be limited by one key factor—the lack of appropriate facilities. Today, faculty members and research labs are scattered among four buildings which are shared with other departments. Despite its international stature, N.C. State's Department of Toxicology lacks both teaching classrooms and laboratories.

Recognizing the excellence, the contributions, and the needs of the toxicology program, the General Assembly provided funds for the planning of a new building in 1995. These funds have been used to develop a detailed, exciting concept for a building, sited for N.C. State's Centennial Campus, that will bring together the entire department and permit its continued enhancement of our state's human, environmental, and economic health.

With the new biennium comes the perfect opportunity to turn the plan into a reality, to begin the necessary steps for the building's construction, to ensure the continuation of objective, scientific responses from our state's largest public university to potential dangers. The time is right to fund the construction of N.C. State's toxicology building.

N.C. State's Toxicology Program at Work

- This vibrant, progressive department combining teaching, research, and extension provides information and objective judgement in many areas of importance to agriculture, industry, the general public, and government officials. This information is essential to economic development and quality of life in North Carolina.
- A strong commitment to teaching is evident throughout the department. For example, toxicology faculty members have authored two nationally acclaimed and widely adopted textbooks, both now in their second editions. Graduate and undergraduate students from departments such as biochemistry, chemistry, crop science, entomology, food science, poultry science, veterinary medicine, and zoology take toxicology courses. Toxicology faculty also participate in undergraduate honors programs.
- The department's proximity to other departments and agencies on N.C. State's Centennial Campus and corporations in the Research Triangle will be ideal for cooperative programs and for the placement of graduates. In fact, N.C. State's toxicology graduates occupy positions of responsibility in many of North Carolina's most highly regarded institutions, companies, and universities including:
 - BASF
 - Chemical Industry Institute of Toxicology
 - Duke University
 - Glaxo-Wellcome
 - National Institute for Environmental Health Sciences
 - N.C. Department of Health, Environment, and Natural Resources
 - N. C. State University
 - Research Triangle Institute
 - Rhone-Poulenc Ag
 - University of North Carolina at Chapel Hill
- University of North Carolina at Wilmington
- Environmental Protection Agency
- The recently established and successful North Carolina Cooperative Extension Service program in toxicology brings the benefits of toxicology research to businesses, industries, agribusinesses, communities, and the general public. The department also offers a course in toxicology specifically for county Cooperative Extension staff.
- The Pesticide Residue Research Laboratory, a strong influence for more effective pesticide use and now a part of the Department of Toxicology, is also a model for cooperative research. The addition of an analytical toxicology laboratory in 1993 brought the department into the mainstream of national trends. This laboratory is largely self-supporting through external funds.
- N.C. State's Department of Toxicology is:
 - The only one of its kind in any land-grant university in the nation – a first for the state of North Carolina
 - The principal unit in the joint N.C. State-East Carolina University Agromedicine Program, designed to improve the health status of everyone involved in North Carolina's agricultural industry
 - A major contributor to biomedical research and teaching with a strong program in cancer-related areas
 - Highly competitive in the race for external funds, earning \$1.50 in outside funding for every dollar received in state funds
 - The leading department for studies in pesticide resistance, a serious problem for North Carolina farmers



NC State University

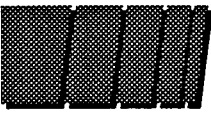
Ag Programs – 1997-99 Expansion Budget

I. Agricultural research and extension
equity funds – \$3.1 million

II. Agricultural production and
life sciences industries – \$1.4 million

III. Natural resources and the environment – \$900,000

IV. Communities and rural development – \$600,000



Agricultural Research and Extension Equity Funds – \$3.1 million

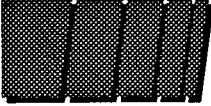
- Research and extension faculty paid from Ag Programs budget were excluded from recent salary increase appropriations:
 - Extra increment for teaching faculty in FY 95
 - Additional 0.5% for teaching faculty in FY 96 (Short Session)
 - Increases in late 1996 from institutional enhancement funds
 - Increases for research & teaching faculty were given from program reductions, carryovers, campus loan
 - \$3.1 million needed to make salary adjustments permanent and repay campus loan, avoiding further program reductions
- 



II. Agricultural Production and Life Sciences Industries – \$1.4 million

- A. Value-added products and processes
- B. Cropping systems and precision agriculture
- C. Animal production systems
- D. Turf and ornamental plants





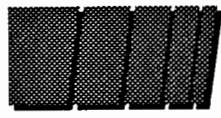
III. Natural Resources and the Environment – \$900,000

A. Water quality issues in fisheries
management

B. Water and air quality

C. Sustainable forest management





IV. Communities and Rural Development – \$600,000

- A. Youth and family programs
- B. Distance education
- C. Outreach and distance education in
support of K-12 education
- D. Rural tourism



BRIGHT STUDENTS

EXEMPLARY FACULTY
AND STAFF



OUTSTANDING FACILITIES



COMMITTED FRIENDS
AND SUPPORTERS



EQUATION

for

EXCELLENCE

COLLEGE OF FOREST RESOURCES

BIENNIAL REPORT

NORTH CAROLINA STATE UNIVERSITY

1994-96

From the Dean

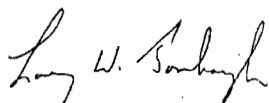
Exemplary faculty and staff, bright students, outstanding facilities, committed friends and supporters – these are the variables in our Equation for Excellence at North Carolina State University's College of Forest Resources. Each variable is an integral part of our success and our plans for the future.

The College is home to three prominent departments: Forestry; Wood and Paper Science; and Parks, Recreation and Tourism Management. Each of these, in turn, is home to programs that range from the molecular biology of trees to environmentally sound methods of paper production to national park management and beyond. These departments are ranked among the top few nationally in their fields. It takes enormous work and care to maintain excellence in such a wide array of subjects, but by focusing relentlessly on our four variables, we believe we have done just that.

This report highlights some of the people and facilities that are part of our Equation for Excellence and some of the achievements of the past two years. They are just part of the College's story, but they well illustrate the learning, research and service that occur here.

While each of our equation's variables is essential to our success, we are mindful that none is more important than the commitment of friends and supporters. Their guidance, hard work and financial help ensure that we will constantly strive to find better ways to educate our students, discover new knowledge and serve the state and our diverse clientele in business and industry.

Sincerely,



Larry W. Tombaugh
Dean, College of Forest Resources
North Carolina State University



Pictured left to right: Larry W. Tombaugh, dean; J. Douglas Wellman, associate dean for academic affairs; and Jackson B. Jett, associate dean for research and outreach

EXEMPLARY FACULTY
AND STAFF+ for
OUTSTANDING FACILITIES

Our faculty is committed to students and to scholarship. Our professional staff is dedicated to the College's programs. From the strength of these commitments comes excellence.

The scope of our faculty's work is wide; the stories we highlight in this year's report are emblematic of that breadth.

Many of our faculty are internationally known researchers in the basic sciences whose work has led to an understanding of and solutions for real-world issues. Ellis Cowling, a pioneer in precipitation chemistry, and Ron Sederoff, a leader in the molecular genetics of trees, are currently the only forestry faculty in the nation to be members of the prestigious National Academy of Sciences (NAS). Cowling's research helped lay the groundwork for national air and precipitation monitoring programs, and Sederoff's work is opening the doors to genetically improved trees.

Josef Gratzl's research into the oxygenation of lignin has played a pivotal role in the creation of environmentally sound methods of pulping and bleaching wood. In 1995 the American Chemical Society honored him with a three-day, International symposium in his name. Elisabeth Field Wheeler's research into the fossil record of trees has led not only to important understandings of forest dynamics over time but has brought excitement to the undergraduate classroom. She is the College's 1995-96 Outstanding Teacher.

Teaching, of course, is one of our core missions, so much so that we titled our previous report *We Teach*. Over the past two years, 12 of our faculty members have received awards from the College or the University for excellence in teaching. One of the College's leaders in education is Carol Love, who has helped students travel the world both physically and via electronic resources. Her multimedia presentations have also helped first-year students learn about all of NC State University's colleges and make informed choices about their futures.

Electronic media play an increasing role in all of education and research, and Hugh Devine, one of the forces behind the University's Geographic Information Systems (GIS) lab, housed at the College, is helping to make that technology available to the entire University community. The lab serves an equally important role as a resource for professionals, who come to learn or stay abreast of the latest GIS advances.

Our faculty also serves the state through extension services. The work of Craig McKinley and his team to nurture and protect North Carolina's Christmas tree industry, a \$100 million-a-year wholesale business, embodies the science, service and education that are the heart of extension. Whether through helping a plywood producer find an economic use for waste material, playing a leadership role in organizing the North Carolina Senior Games, advising private forest landowners of the value of their timber resource or in dozens of other ways, the faculty of the College of Forest Resources helps the citizens of North Carolina.

These efforts, of course, depend for their success on the skills and performance of the College's professional staff — the people who, day to day, ensure that our programs operate effectively.

All of this effort comes at a time of increasing enrollment. During the past six years, enrollment in the College of Forest Resources has grown by 42 percent. The College's professional support staff has shown extraordinary creativity and resolve in seeing to it that these students experience excellent programs that run smoothly. And while accommodating more students with outstanding teaching and advising, the faculty has managed to attract well over \$100,000 in grants and contracts per member. Our faculty does not represent a cost to North Carolina. Rather, the outside funding it garners is twice as much as the funding provided by the state. These funds are used to pay the stipends of graduate students, buy specialized scientific instruments and conduct research. The work of all these people and more, an exemplary faculty and staff, is an essential part of our Equation for Excellence.



Support is Part of the Equation



We are fortunate to have an excellent professional support staff as part of our equation. Each year, the College recognizes one of these professionals with its Outstanding Performance Award.

Chris Hunt (pictured on right) was our outstanding staff member of 1994-95. As a research technician with the Tree Improvement Program, a university-industry cooperative research effort, Hunt has shown an extraordinary level of personal initiative. He has gone out of his way to learn new skills in such areas as computerized record keeping and laboratory analytical techniques and to acquire new knowledge in sophisticated principles of plant physiology to improve his already excellent work.

Brenda Flood, (pictured on left) secretary and bookkeeper for Wood Products Extension, received the Outstanding Performance Award for 1995-96. Her high standards and enthusiasm for her work are contagious and raise the level of work of all those who come in contact with her. Extension services are an essential part of a land-grant institution's mission, and through them the College helps improve the lives of thousands of North Carolinians. Flood's pride in her work reflects the College's pride in its mission.

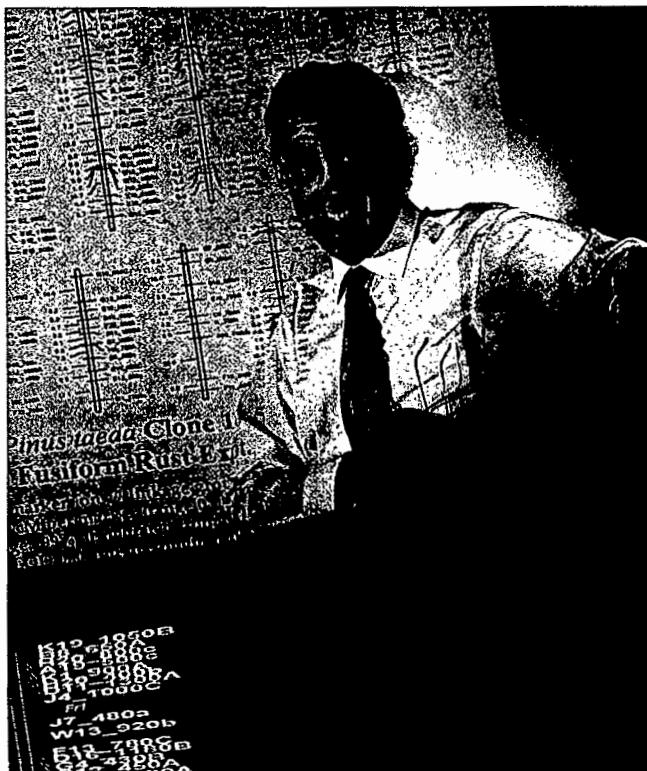
The Soup We Breathe

All the nutrient elements needed for tree growth can be found in the atmosphere. Trees — and the rest of us — live in a chemical bath. Early in his career, Ellis Cowling, professor of plant pathology and forestry and University Distinguished Professor at Large, began exploring human-induced changes in that chemical climate and the effects they have on trees. Along the way he pioneered the development of precipitation chemistry monitoring in the United States.

Among other projects, Cowling now heads the Southern Oxidants Study, a public-private effort that looks for policy-relevant findings in ozone pollution research.

"We study factors that lead to the accumulation of toxic ozone in the lower atmosphere," he says. "It's not simply a matter of humans polluting through emissions, although that's important. Among other things, vegetation fixes airborne carbon and releases it back into the atmosphere as an ozone precursor. The problem is quite complex, and governing bodies need to know just what is occurring or they will be shooting in the dark when they craft policy."





Harvesting the Genetic Revolution

"There's an ongoing revolution in every area of biology that has to do with understanding DNA and the ability to isolate and manipulate genes," says Ron Sederoff, professor of Forestry and head of the Forest Biotechnology Group. "We asked, why shouldn't we use these techniques with trees?"

The answer resulted in the formation of the pioneering biotechnology group, which has advanced the understanding of trees dramatically since its formation in 1987.

Sederoff's team has uncovered the genetic basis of fusiform rust disease in loblolly pine, which costs the timber industry in the Southeast \$100 million annually. It is now working toward developing trees resistant to the disease.

The group has also discovered a naturally occurring mutation in loblolly pine that reduces lignin content and is working to breed a line of such trees. Trees with a lower lignin content could be pulped and bleached more efficiently than others.

These advances barely scratch the surface of the group's work, which includes isolating all of the functioning genes in a pine tree. For his work, Sederoff was elected to the National Academy of Sciences in 1995.

Giving Students the World

The goal of education is to help students achieve a holistic and global view of their field and themselves as well as to gain specific skills. For Carol Love [pictured left], associate professor in the Department of Parks, Recreation and Tourism Management, the leisure and recreation industries are avenues to the goal. Her students have undertaken jobs, internships and exchanges as far away as Saudi Arabia, Alaska, Africa and Australia.

When they are not traveling literally, they travel virtually on the Internet in Love's class "Leisure and World Cultures." She has turned the computer into a vehicle that joins communities and has brought that vehicle to people who need it.

"Last year I served as a university administrative intern with NC State's new First Year College," she says. "I created multimedia programs to introduce the First Year College students to the University's other colleges, where they will be heading. The goal is to help them gain an understanding of other communities. It's the same process that can be used in schools, recreation centers and elsewhere."

In the future, she hopes to lead students on international tours focusing on recreational and social customs, while others accompany them virtually on the WorldWide Web.



How Trees Are Built



Trees that remain only as fossils in North America have living counterparts in Southeast Asia, South America and Europe. The anatomy of the fossil record tells a story of climatic change across large time spans and vast forests that once grew in regions that are now deserts. The job of Elisabeth Field Wheeler, professor in the Department of Wood and Paper Science, is to unravel this record and understand long-term relationships among trees, climate and time.

Along the way, the wood anatomist has uncovered knowledge with direct commercial applicability. She has, for example, examined the relationship of wood structure and a tree's susceptibility to bacterial infection. Infected wood areas are weak and tend to warp as boards are cured. Wounding a tree through poor logging practices is often outwardly unnoticeable but will give bacteria an opening into wood fiber.

Her students come to Wheeler for an education in wood anatomy — how trees are built. They learn the factors that affect the texture of wood and how the wood can best be grown and worked for a desired use. The big picture of change that is Wheeler's passion as a scientist is an intellectual bonus for them, and one they appreciate. In 1995-96, Wheeler received the College's Outstanding Teacher Award and was elected to the International Academy of Wood Science.

EXEMPLARY FACULTY AND STAFF

Making Paper, Helping the Environment

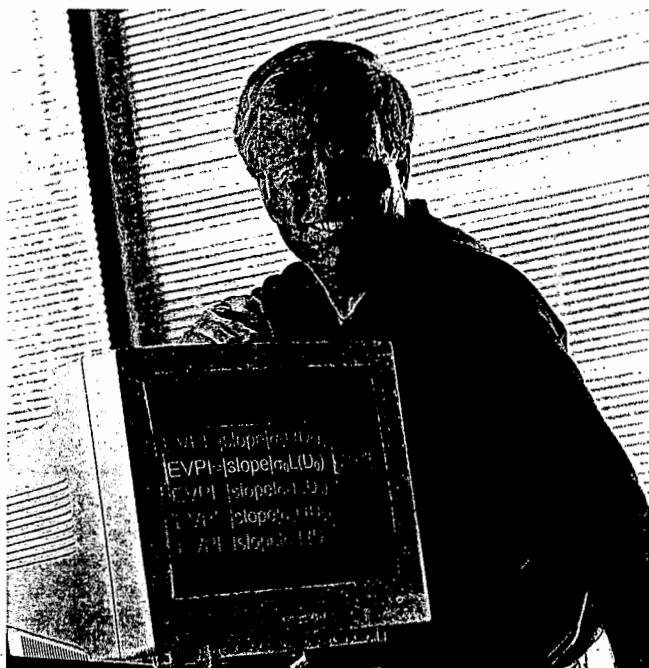
Thirty-five years ago, Josef S. Gratzl set out to find uses for the byproducts of the wood-pulping and bleaching processes. His experiments into the oxygenation of lignin as a method of removing it from wood pulp in the paper-making process were outside the mainstream of wood chemistry. Lignin was then removed in chlorine processes, which left behind toxic waste. In the past 10 years, the studies by Gratzl, Elis-Signe Olsson Professor in Pulp and Paper Science and Technology, have contributed substantially to our understanding and establishment of modern, environmentally benign pulping and bleaching processes.

"My work started as very basic chemistry," he says. "When the country began to focus more on the environment, what I was doing became very useful."

Gratzl has been active in the developing world for the past 10 years. Presently he is working with the United Nations Industrial Development Organization (UNIDO) to establish a demonstration plant for chlorine-free bleaching of wheat straw pulp in China. Through UNIDO he is also studying lignin waste as a fertilizer in developing countries.

In 1995 the Paper and Textiles Division of the American Chemical Society recognized Gratzl's work with its highest honor, the Anselme Payne Award.





Managing Resources With Digital Imaging

"All natural resource management is based on maps," says Hugh Devine. "Traditionally, people developed maps through hand drafting, which is very expensive and time-consuming. This is no longer economically feasible, and Geographic Information Systems (GIS), computerized mapping programs, are a solution to this problem."

Devine is a professor in the Department of Parks, Recreation and Tourism Management and one of the forces behind the College's extensive GIS lab. He says GIS provides a means of accessing digital imagery from satellites and air photo data, it then draws on extensive computer libraries to create maps. These mapping systems can produce visual records of demographics, vegetation types, urban development, and virtually anything else.

The center serves an extensive in-house and external clientele. For the University community, its ambition is to make GIS technology and software available to every desktop computer on campus. Among its other external projects, the GIS facility serves as a Field Technical Support Center for the National Park Service in the Mid-Atlantic region and, increasingly, across the nation.

The Science of Christmas

Fraser firs — Christmas trees — bring an estimated \$100 million in wholesale business to western North Carolina every year. North Carolina produces about 30 percent of the Christmas trees sold in the eastern United States. In the eastern part of the state, Virginia pine, white pine, and red cedar tree farms have an increasingly important impact on the economy.

Prior to 1900, there were an estimated 405,000 acres of Fraser fir in natural stands in the United States, most of them in North Carolina. By 1988, only an estimated 66,000 acres remained. The culprits were a bug — the balsam wooly adelgid — acid rain, overharvesting and pollution stress, among others.

Craig McKinley, associate professor of forestry and extension forestry specialist, and his team of scientists and educators are working hard to ensure the health of all these species.

"In 1994 we collected seeds from 530 natural Fraser fir stands that were isolated from one another," McKinley says. "We gathered enough for a gene preservation effort. We also undertook a major program to graft natural branches onto commercial root stock in selected orchards and produced enough seed to sell commercially."

And in 1995, the team began a Christmas tree genetics program that includes eastern North Carolina species as well.



New Faculty

Philip H. Mitchell, Assistant Professor, Wood Products Extension Specialist, Department of Wood and Paper Science. Ph.D. Forestry and Forest Products, 1981, Virginia Polytechnic Institute and State University.

Heather McRae Cheshire, Assistant Professor, remote sensing, Department of Forestry. Ph.D. Forestry, 1995, NC State University.

Craig R. McKinley, Associate Professor and Extension Forestry Specialist. Ph.D. Forestry/Genetics, 1973, Texas A&M University.

Bailian Li, Visiting Associate Professor, Tree Improvement Program, Department of Forestry. Ph.D., 1986, NC State University.

[Not pictured] Craig L. Forbes, Assistant Professor, Wood Products Extension Specialist, Department of Wood and Paper Science. Ph.D. Forest Products Marketing/Management, 1995 Virginia Polytechnic Institute and State University.



George Hess, Assistant Professor, biomathematics and ecology, Department of Forestry. Ph.D. Biomathematics and Ecology, 1994, NC State University.

Perry N. Peralta, Assistant Professor, wood products, Department of Wood and Paper Science. Ph.D. Wood Science and Forest Products, 1990, Virginia Polytechnic Institute and State University.

Ben A. Bergman, Visiting Assistant Research Professor, tissue culture, Department of Forestry. Ph.D. Forestry/Genetics, 1992, NC State University.

Edwin K. Lindsay, Instructor, Sports Management, Department of Parks, Recreation and Tourism Management. Ph.D. candidate, Adult and Community College Education, NC State University.

Gary R. Hodge, Visiting Associate Research Professor, CAMCORE, Department of Forestry. Ph.D., 1986, NC State University.

[Not pictured] Jeffrey Hance Owen, Extension Specialist, Department of Forestry. M.A. Forestry, 1984, Duke University.

Faculty Honors and Awards

H. LEE ALLEN

University of Maine Distinguished Alumnus Award

GARY BLANK

1995-96 Alumni Distinguished Undergraduate Professor Award

RICHARD BRAHAM

1995-96 Board of Governors Award for Excellence in Teaching

CRAIG FORBES

A. B. Massey Honorarium Award from Virginia Polytechnic Institute and State University

JOSEF GRATZL

1995 Anselme Payne Award of the American Chemical Society Cellulose, Paper and Textile Division

JOSEF GRATZL

Honorary Doctor of Science degree from St. Petersburg Forestry Academy, Russia

RICKEY HAMILTON

Forest Farmers Extension Forester of Year Award

HASAN JAMEEL

David Wetherhorn Award from TAPPI Pulp Manufacturing Division

HASAN JAMEEL

1994-95 College of Forest Resources Alumni Distinguished Undergraduate Professor Award

LARRY JERVIS

1994-95 College of Forest Resources Outstanding Teacher Award

EDWIN JONES

North Carolina State University Outstanding Extension Award

BOHUMIL KASAL

1995 Cray Research Fellowship

ROBERT KELLISON

Carl Alwin Schenck Endowed Professorship in Forestry

JAN LAARMAN

Jackson Rigney International Service Award

RICHARD LANCIA

1994-95 Alumni Distinguished Undergraduate Professor Award

CAROL LOVE

Provost's African-American Award for Professional Development

RONALD SEDEROFF

Elected to the National Academy of Sciences, becoming the second member of the Academy on the faculty of the College of Forest Resources. Dr. Ellis Cowling has been an Academy member for several years.

RONALD SEDEROFF

Edwin F. Conger Endowed Professorship in Forestry

LARRY TOMBAUGH

1995 Outstanding Alumnus of the Penn State College of Agricultural Sciences

ROGER WARREN

1994-95 Board of Governors Award for Excellence in Teaching

ELIZABETH WHEELER

Fellow, International Academy of Wood Science

BRIGHT STUDENTS

COMMITTED FRIENDS
AND SUPPORTERS

EXEMPLARY FACULTY AND STAFF

Our 942 students have a strong preference for learning in a hands-on environment. They also have a desire to make a mark in their field. When they leave they are a direct measure of the College's success.

LOCATION

Most of our 722 undergraduate students want practical courses, curricula and careers. Like first-year student Melvin Easley, some develop an interest in forest resources only after a presentation at their high school by a local forest products company or one of our faculty members. We actively use our endowed scholarships to attract and recruit bright students.

OUTSTANDING FACILITIES



Many of our students participate in internships or in cooperative education programs and divide their college years between campus and an employer. Often employers gain as much from these students as the students do from their work. As Melissa Ricks, class of '96, says, interns are willing to ask questions often overlooked by professionals and sometimes are more up to date on new computer software and other technological tools. The students, of course, have their eyes opened to the complexities and richness of the working world, as Mark Rawls, class of '97, did when he observed operations as an intern at the fabled Grove Park Inn.

When they leave the College, our students are ready to make a contribution to their industry, often in unexpected ways. As Eliot Malak, class of '96, says, an education that focused on making presentations and working in groups — as well as on technical issues — has been invaluable at his first job at a paper mill. Jennifer Willoughby, also class of '96, found that the transition between field work as a student and as a professional forester was smooth. Hers happened to be enhanced before graduation by experiments in growing California redwoods in North Carolina.



Employers find that College graduates have strong skills and a desire to advance. Our alumni occupy a disproportionately large number of positions at the vice-president level and above in corporations throughout the nation. Others fill positions of leadership in a wide variety of public organizations.

We are also home to one of the largest graduate programs in the nation, with 220 graduate students. Most of them are attracted to the College because of the faculty's international reputation. They come here from around the world, contributing to a rich, cosmopolitan, intellectual environment. In addition to being talented and committed to their field of scholarship, many of our graduate students serve as volunteers in domestic charitable institutions, while others work in international settings to meet the needs of local people.

Their research is as wide ranging as the faculty's. Mike Jacobson, a native South African and a forestry doctoral candidate, brings an international background to local forest resource issues. He studies the decisions and attitudes of forest owners in relation to local and regional planning policy.

Nancy Bell-Edwards (M.S. '96) moved outward geographically with her research. She not only studied the impact that protected-area projects in Costa Rica had on the local populace, she facilitated training for a group of visiting Chinese professors who had come to the College to learn about preserving and managing land in their country.

These students take part in a strong tradition at the College: excellence. One measure of our graduates' success is the Wallenberg Prize, the equivalent of a Nobel Prize in forestry and forest products. This prestigious award is presented each year by the King of Sweden. To date, there have been only three Wallenberg recipients from the United States. All three of these outstanding scientists have a degree from NC State University. Their place in our equation is fundamental.

What Students Bring to Their Jobs



"This summer I'm doing an internship with Betz PaperChem, working with the salespeople, all of whom are pulp and paper engineers," says Melissa Ricks. "We've been doing polymer trials to improve fiber retention in paper and improve brightness."

"My main responsibilities include data collection and analysis during various trials run on several paper machines. I have also been involved with the preparation of key presentations for mill personnel. During the compilation of the data and the organization of the presentations, my knowledge of computer software has helped greatly. Although the salespeople know more about the pulp and paper business, I know more about getting much needed information from the mill's computers and how to present correlations graphically. I believe that students come out of the College with a good understanding of how to use current software and are prepared to conquer new software with little difficulty."

"I'd say the other thing that we bring to our jobs, in addition to the good grounding in the technical and business sides of the industry, is new ideas. We're willing to ask a lot of questions about variables that are generally taken for granted."

Melissa Ricks earned her B.S. in Pulp and Paper Science in 1996 and is finishing her degree in chemical engineering.



How to Manage a Major Resort

"The Grove Park Inn is like a small city unto itself," says Mark Rawls, a senior majoring in commercial tourism and an intern at the fabled inn. "About 950 people work here, and there are 510 guest rooms, which means we could have 1,000 or more guests at any one time."

"We can have four or five weddings on a weekend and five to ten business conferences during the week. The inn employs everything from doormen to telecommunications specialists — every guest room is wired for Internet access."

"Managing all of the services that our guests are paying for is an enormous undertaking, and at a place like the Grove Park everything must run smoothly, or more than smoothly. One thing that has particularly impressed me is the professionalism of the staff. They're trained to help run the inn seamlessly. Just training the staff is a huge task; all of the supervision and the service must be consistent. My goal is to become the general manager of a large tourism-based organization, and an internship like this gives me the best model imaginable."

Mark Rawls graduates from the Department of Parks, Recreation and Tourism Management in spring 1997.

Discovering a Field and a Fascination

Melvin Ealey entered NC State in fall 1995 to work toward degrees in wood and paper science and chemical engineering. A year earlier, a career in forest products was the farthest thing from his mind.

"To tell the truth, I'd never even considered it," the South Carolina native says. "Then a representative from Bowater Inc. came to my high school to encourage students to enter the field. Math and science were always my best subjects, so I looked into it. Now I find the process of paper making fascinating.

"I'm a cooperative education student, and after my first semester here I worked at Bowater for two semesters. I helped collect samples of pulp and chemicals for testing, and I gained an appreciation for the way a mill works when I assisted with some basic maintenance.

"What I like best is learning the process hands-on, getting involved. I also like being in a field where there will be good jobs at the end of school."

Melvin Ealey is a recipient of a Pulp and Paper Foundation scholarship. As a dual degree, cooperative education student, he hopes to graduate in five years.



Prepared to Make a Mark

Eliot Malak, class of '96, focused his senior-year projects on extended delignification and strength improvements of recycled paper. Now he works as a project engineer in an International Paper pulp and paper mill.

"What I do here is really an extension of what I did in school," he says. "I'm on a team that intends to optimize the paper-making process however we can. Essentially, we support production by finding ways to improve the process and by recommending capital improvements.

"I was ready to go to work when I got here, because I gained a lot of technical knowledge through my studies in pulp and paper science at the College and through my summer internships. I also learned how to work in teams and make effective presentations, which have turned out to be integral parts of the job.

"We also learned about the international context of the industry at NC State. Here we are trying to keep costs down not just for the U.S. market but for the world market. When prices are down in one part of the world, the company explores others. There are international opportunities out there for me when I want them."

Malak received dual B.S. degrees in pulp and paper science and chemical engineering.



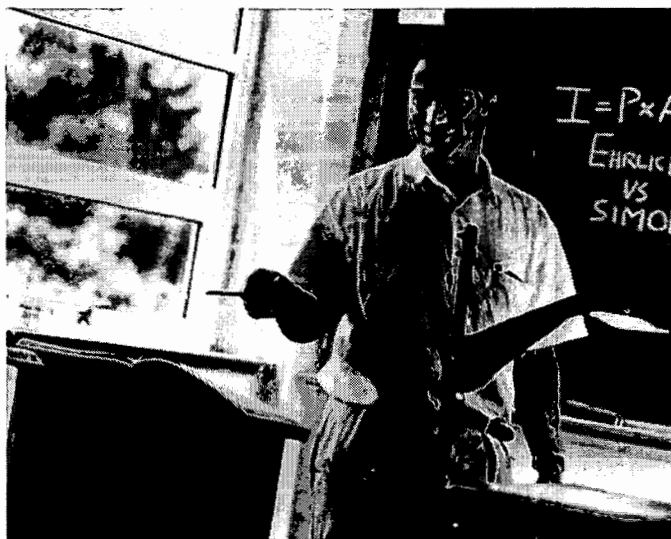
Bringing International Experience to Local Issues

Mike Jacobson, a Ph.D. candidate in forestry, returned to school because he wants to teach. He became a member of NC State's prestigious Training the Professorate program and divides his time among his own research, class work and teaching.

Unlike many students, who use the College and University as a doorway between their limited experience and the wider world, Jacobson arrived with an international background and focused his work locally. The native South African had worked in Lesotho, Africa, on land management and in a crop and tree nursery for the Peace Corps. Later he worked with the World Bank and the Tropical Forest Foundation on forest policy. Recently he has surveyed non-industrial forest owners in eastern South Carolina on landscape management.

"It's a little like looking at urban planning issues, but with forests," he says. "Are owners willing to take into consideration their neighbors plans or practices when they set their own priorities? What are their goals? Almost every city and county make land-use decisions that involve forests, and it's important to know how the forest owners make their own decisions."

Jacobson brings his real-world and research experience with him to the courses he had begun to teach: "Introduction to Natural Resources" and "Tropical Forestry" in fall 1996.



BRIGHT STUDENTS

Learning by Doing

"One of the best things the Department of Forestry did for me was to provide a work-study scholarship that had me working at the College's forests," says Jennifer Willoughby, class of '96. "I considered myself a very average student in the classroom, but the hands-on experiences made me feel I was accomplishing something."

Willoughby accomplished much. She was president of the Forestry Club and was named one of NC State University's Outstanding Women her senior year. She was also the first student to receive the Dan S. Spears Endowed Work Scholarship, a unique award that carries with it a commitment to try and grow California redwoods in North Carolina.

"Mr. Spears and his wife loved redwoods," Willoughby says. "She has grown several to a height of eight-to-ten feet on her property, and I grew seedlings in the greenhouse. We distributed them to other students' homes, and they will keep in touch with her and the person who receives this scholarship next year. There's not been much research in this area. It will be interesting to watch."

Willoughby now works as a professional forester for Union Camp in Nashville, North Carolina, a job that keeps her in the forest: "That's what I wanted."

Helping the World Protect Resources

Nancy Bell-Edwards' research for an M.S. in Parks, Recreation and Tourism Management took her to Costa Rica, where she studied the training that national park personnel receive from the Costa Rican government. During her graduate work, she also coordinated a program for five graduate professors from the Peoples Republic of China who had come to the College to develop training programs for protected area personnel in their own country.

"People who work in protected areas in developing countries face issues that U.S. parks and people often have to face," she says. "In many countries, protecting land from development results in changing the ways local people traditionally have made their living, by hunting, for instance, or harvesting. Preservation of the land and of plant and animal species may be essential for protection of a watershed, for example, but governments also have to help their local populations find ways to make a living from the new arrangement, whether by employing them directly or helping them create businesses that serve researchers and ecotourists that come to the protected areas. There's direct personal pressure with which the local people, and thus the park personnel, must deal. In my work in Costa Rica, I found that the employees wanted more training in biodiversity issues, so that they could educate the community on the real need to preserve the land. These training issues are important ones as the world's protected critical areas from development and to allow people to make a living increasingly viable." Nancy Bell-Edwards received her M.S. in 1996.

Student Honors and Awards

NANCY BELL-EDWARDS

Outstanding Graduate Student

SUSAN COHEN

IC State Outstanding Graduate Teaching Assistant

CONCHITA MARIA GREEN

Outstanding African American Graduate Student in the College of Forest Resources

ELIZABETH GRIFFITH

Thomas I. Hines Outstanding Senior Award

KAREN HALL

NC State Outstanding Graduate Teaching Assistant

ALEXANDER KRINGS

NC State Outstanding Graduate Teaching Assistant

TONY STEPHENSON

Thomas I. Hines Outstanding Senior Award

TERI WHYTE

Outstanding African American Graduate Student in the College of Forest Resources

JENNIFER WILLOUGHBY

NC State Outstanding Women Award

SUE YERKES

"Going the Extra Mile Award"

OUTSTANDING FACILITIES

EXEMPLARY FACILITY
AND STAFF

COMMITTED TO EXCELLENCE
AND SUPPORTING

EQUATION

Faculty and students depend on the College's facilities just as a craftsman depends on his or her shop and tools. We are fortunate to have a variety of outstanding facilities, and they are essential not only to our Equation for Excellence but to the success of our missions in research, education and outreach. Among them are the largest forest holdings of any forestry college in the nation and the Brandon P. Hodges Wood Products Laboratory.



The College has nearly 89,000 acres of forest at seven sites around the state. All of our forestry and wildlife undergraduates spend weeks at a time in the forests during their summer field work. Some help to maintain these resources as work-study students or assist in research projects within them. Graduate students and the faculty conduct numerous research and demonstration projects at these sites.



In early 1996 we acquired one of the largest remaining tracts of undeveloped private waterfront property on North Carolina's Albemarle Sound for use as a wetlands research site. The Bull Neck Swamp Research Forest covers 5,500 acres, including more than seven miles of rare, undisturbed shoreline. Here our students and faculty will study critical environmental issues, including coastal water quality, wildlife management, forest regeneration and environmentally sound timber management.

The 2,450-acre Hill Demonstration Forest in Durham County is the College's longest-held forest and the site of Camp Slocum, where all rising juniors in the Forestry Program spend seven weeks of intensive summer field work. We have managed this forest for 62 years as a teaching laboratory, where students learn to survey, measure, identify vegetation, perform water and soil tests and undertake the myriad other tasks that are part of every forester's job. Like all of our forests, the Hill is self-sustaining economically through timber sales and usage fees.

The Hodges Wood Products Lab focuses on wood further along the tree-to-product continuum. Each summer, students in the Wood Products Program learn the fundamentals of wood machining, gluing, furniture manufacturing and finishing through hands-on experience at the lab. Our industry partners in manufacturing send the lab a steady flow of wood and composite specimens for testing and evaluation. The NC State Wood Machining and Tooling Research/Education Program is also located here. This project focuses on real-world industry problems in wood-machining technology. This research is aimed at improving efficiencies for the American woodworking industry in a highly competitive international market.

Add to these resources advanced computer facilities, the College's state-of-the-art pilot paper plant, extensive labs for both basic and applied research, and more. These reflect not only our dedication to excellence but the dedication of the College's supporters to our shared missions.

NC State University Forests

PROPERTY	ACREAGE	DATE OF ESTABLISHMENT
Bull Neck Swamp Research Forest	5,500	1996
James Goodwin Forest	1,169	1968
Hill Demonstration Forest	2,450	1929
Hofmann Forest	78,927	1929
Hope Valley Experimental Forest	345	1941
Wilfred Hosley Forest	250	1994
Schenck Memorial Forest	247	1936
Total	88,948	

Natural Resources Library



The College's Natural Resources Library (NRL) supports faculty, students, and staff with more than 34,000 volumes and an array of services. A daily NC State University delivery service provides the NRL's users with rapid access to the extensive holdings of the University's D. H. Hill Library and four other branches.

NRL offers computer-based access to many electronic databases, and as part of the nationwide Geographic Information Systems (GIS) literacy project, NRL provides a high-speed workstation connected to the campus network for the use of GIS software, tutorials and data.

"Libraries and computers are important elements of the scholarly enterprise, but it is gifted research librarians like Carolyn Argentati that makes them work," says Dean Larry Tombaugh.

OUTSTANDING FACILITIES



The Hill Forest serves as one of the College's outdoor classrooms where students gain hands-on experience and learn to integrate theory with practice. Such facilities and experiences insure that NC State graduates will be competent and confident young professionals.



COMMITTED FRIENDS AND SUPPORTERS

EXEMPLARY FACULTY
AND STAFF

EQUATION

The support of friends is indispensable to excellence in education here. The College of Forest Resources is a shared venture. Our faculty, students, graduates and supporters need each other to achieve their own and our collective goals. The commitment of friends also makes it possible for us to provide students with the margin of excellence that distinguishes our program from others.

OUTSTANDING FACILITIES

Even though NC State University is state supported, state appropriations account for only 48 percent of the College's total annual expenditures. It takes the work of hundreds of organizations, companies and individuals to fully support all the work done here.

The lion's share of support is coordinated through two foundations that exist for the sole purpose of supporting the College and its programs: the Pulp and Paper Foundation Inc. and the North Carolina Forestry Foundation Inc.

"We were chartered in 1954 to raise funds, recruit students and faculty, advise the College on curriculum, help bring the latest equipment to the program, provide summer jobs for students, and do whatever else we could to support the Pulp and Paper Program at NC State," says Ted Owens, president of the foundation and executive vice president with Inland Container Corporation. "The health of our industry depends on attracting top notch students and professionals. We consider the College part of our Equation for Excellence."

The Pulp and Paper Foundation provides 99 merit scholarships to undergraduates at the College. Ten of these were initiated in the past two years.

The Forestry Foundation, formed in 1929, is responsible for the 78,000-acre Hofmann Forest, a living endowment for the College. The Hofmann is a working forest as well as a classroom and laboratory, with about 50,000 acres of commercial timber land.

Under the leadership of foundation president Robert J. Beason of International Paper Company, the Hofmann is a source of pride to the state and to the industry, with careful attention given to water quality, watershed management, long-term productivity, wildlife habitat and the safety of workers. The forest now generates more than \$1 million annually. After a portion of the funds is plowed back into forest improvement, a significant amount remains for support of the College.

"We're about to completely update the buildings at the Hofmann, so that students and faculty will have a first-class facility to live and work in while they study and conduct research here," says Samuel M. Hughes, chairman of the foundation's Land Management Committee and senior consultant with F&W Forestry Services Inc. of New Bern, North Carolina.

Over the past decade, the Forestry Foundation has expanded its activities and become increasingly active in student and faculty recruitment and curriculum enhancement. It now funds 57 undergraduate scholarships, four of which were created in the past two years.

Our faculty and students interact constantly with industry and with organizations that have a stake in the nation's and the world's forests. One of our responsibilities is to serve them well. Their support of the College is an investment in research and education that benefit us all.

Buckman Laboratories Endows New Professorship

In 1995, Buckman Laboratories International Inc. of Memphis, Tennessee, its chairman and chief executive officer, Robert Buckman, and his wife, Joyce Mollerup, pledged a gift of \$1 million to endow the Buckman Laboratories Distinguished University Professor of wet-end chemistry in the College's Pulp and Paper Science and Technology Program.

"We selected NC State for this gift in recognition of its status as an active, innovative partner of industry," Robert Buckman says. "It has the resources and the commitment to take research and teaching on wet-end chemistry, an area of great importance to our company and our industry, forward into the next century."

The chemical processes of pulp-making and the early wet stages of paper-making are crucial ones for the quality of the end product. The new professorship will allow the College, already nationally known for faculty expertise in wood and lignin chemistry, to push the bounds of knowledge further and to bring that knowledge to industry.

We are currently engaged in the search for the outstanding teacher and researcher who will become the first Buckman Professor.



Ted A. Owens, Executive Vice President, Paperboard Group, Inland Container Corporation and President, Pulp and Paper Foundation, Inc.



Robert J. Beason, Manager of Logging and Fiber Supply, International Paper Company and President, North Carolina Forestry Foundation, Inc.

Research Cooperatives: Our Partnerships in the Field

The College is home to four public-private cooperatives aimed at improving forest management and production through research. Together they include forty-eight active industry and government agency members in North, Central, and South America. Total expenditures for the cooperatives reached \$1.4 million in 1994-95 and \$1.6 million in 1995-96.

CAMCORE (Central America and Mexico Coniferous Resources Cooperative) is dedicated to the protection and improvement of rare and threatened forest species and populations native to Mexico and Central America. Some of these already play important social and economic roles, and others have the potential to do so. By 1995 CAMCORE had established nearly five hundred breeding and management field trials. In the past three years it has had a 41 percent increase in membership, with eighteen current active members. Membership has recently expanded to include organizations from Indonesia, New Zealand, South Africa and Zimbabwe that face issues similar to those of the original membership.

The Forest Nutrition Cooperative is committed to discovering new knowledge and disseminating information to improve the production efficiency and the sustainability of southern pine stands through the silvicultural manipulation of site resources. Coop membership doubled to eighteen between 1993 and 1995. More than seventy-five of the almost four hundred field experiments installed since 1972 are still active, and three new large field trials are being established.

The Hardwood Research Cooperative focuses its research activities on increasing production in both natural stands and plantations of hardwoods. The cooperative is delving into the basic science of hardwood growth and health, recognizing the need for increasingly sophisticated breeding and management techniques if the nation's hardwood-based industry is to remain competitive with off-shore enterprises. The coop comprises fifteen members.

The North Carolina State University - Industry Cooperative Tree Improvement Program is, at 40, the oldest of the coops. Its goal has always been to economically increase forest productivity through genetic manipulation of pine populations. Over the past five years, the coop's seed orchards produced enough seed to regenerate 4 million acres, 1.6 million of which were planted with second-generation seedlings. Plantations grown from second-generation orchard seed are predicted to produce 16 percent more timber than plantations grown from wild seed. As significant as these figures might be to forest productivity, the future holds even greater promise as the breeding and selection for third-generation seed orchards rapidly near completion.

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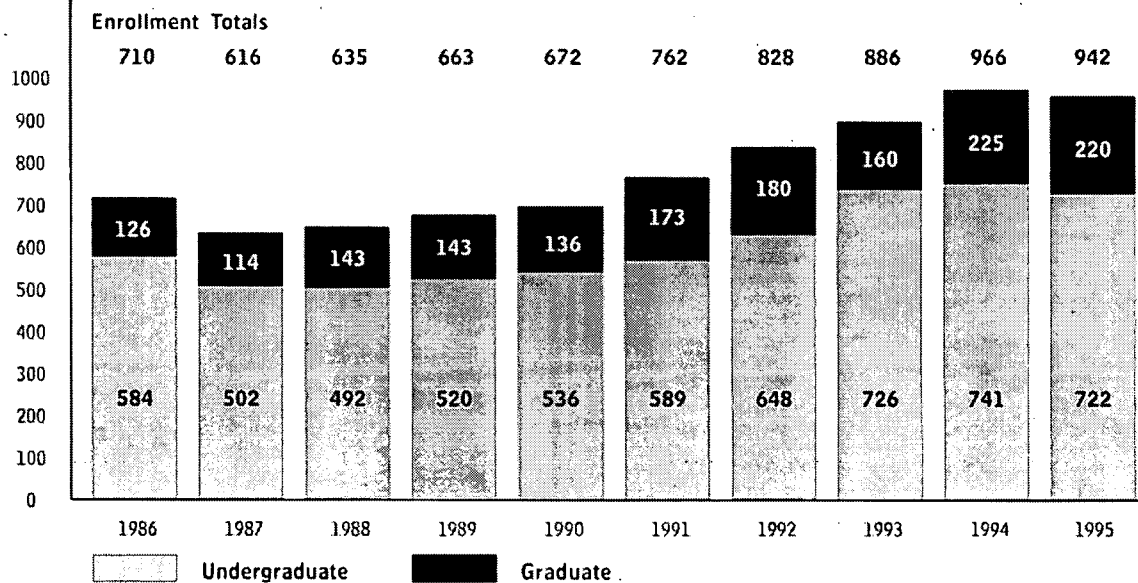
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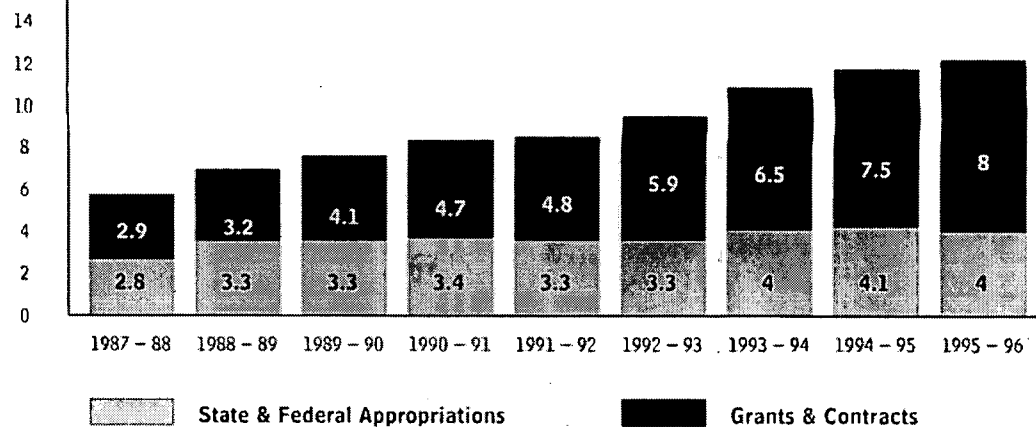
	Fall, 1994			Fall, 1995		
	UNDERGRAD.	GRADUATE	TOTAL	UNDERGRAD.	GRADUATE	TOTAL
Forestry	182	116	298	151	117	268
Natural Resources	118	0	118	111	0	111
Wildlife Biology	0	10	10	0	8	8
Pulp & Paper Technology	237	0	237	211	0	211
Wood Products	41	39	80	52	39	91
Parks, Recreation & Tourism	144	60	204	167	56	223
Undesignated	10	0	19	30	0	30
Totals	741	225	966	722	220	942

College of Forest Resource Profiles



Research and Sponsored Extension Expenditures

Millions of Dollars



Income by Source

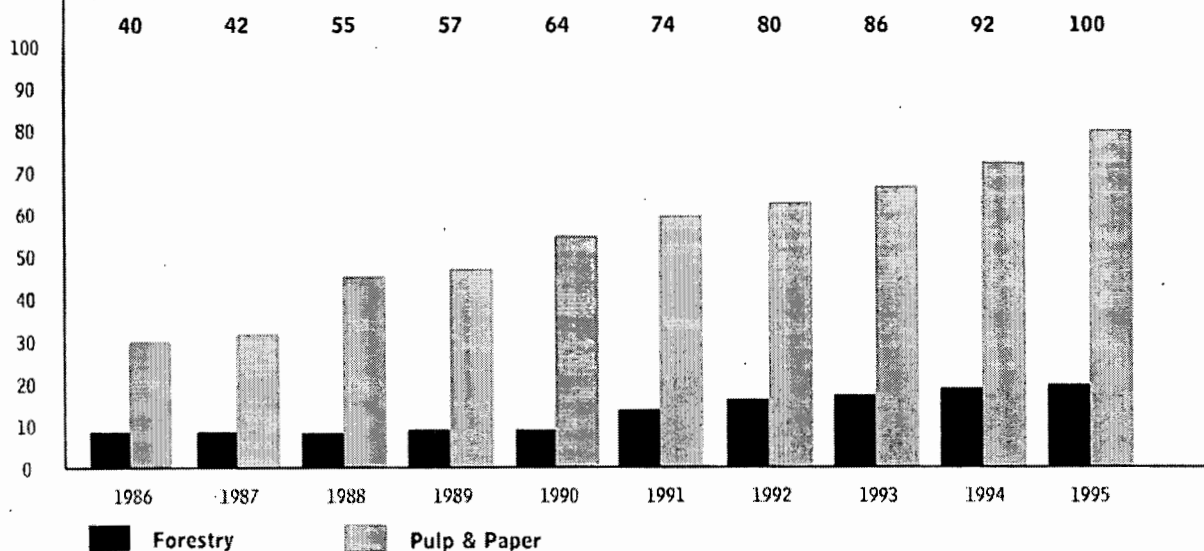
	1994-95		1995-96	
State Appropriations (teaching)	3,807,743	25%	3,832,720	24%
State Appropriations (research)	2,366,173	15%	2,376,128	15%
State Appropriations (extension)	1,055,981	7%	995,846	6%
Federal Appropriations	670,809	4%	633,508	4%
Federal & State Grants & Contracts	3,779,635	24%	3,807,010	24%
Private Grants & Contracts	2,744,289	18%	2,990,376	19%
Private Gifts & Endowments	389,703	3%	574,805	4%
Sale of Products	685,858	4%	861,418	5%
Total	15,500,191	100%	16,071,811	100%

Expenditures by Purpose

	1994-95		1995-96	
Instruction	3,003,633	19%	3,270,484	20%
Research	9,131,831	59%	9,008,592	56%
Extension & Outreach	1,299,333	8%	1,380,021	9%
Student Support	697,235	4%	988,119	6%
Forest Management	606,575	4%	599,782	4%
Operations & Maintenance	632,446	4%	674,263	4%
Foundation Management	129,138	1%	150,550	1%
Total	15,500,191	100%	16,071,811	100%

Endowed Scholarships

Combined Totals



Funding for this publication was provided by the North Carolina Forestry Foundation, Inc.

Project Management	Joyce W. Baker
Design	NIXdesign Inc.
Photography	Edwin Morgan Associates
Editorial	S.D. Williams, Editorial Services

College of Forest Resources

Box 8001

Raleigh NC 27695.8001

919.515.2883

http://www2.ncsu.edu/ncsu/forest_resources/cfr/cfr.html



**NC STATE
UNIVERSITY**

COLLEGE OF FOREST RESOURCES

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VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE

FEBRUARY 18, 1997

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME	FIRM OR AGENCY AND ADDRESS
<i>Blanca Servino</i>	<i>Agri. Alliance of NC</i>
<i>Bice Buffaloe</i>	<i>Agribusiness Alliance of NC</i>
<i>Paul T. Dean</i>	<i>NC Archivist</i>
<i>John Cyrus</i>	<i>N.C. State Exchange</i>
<i>Larry Monteith</i>	<i>NC STATE UNIV.</i>
<i>Zen Allen</i>	<i>ZDA PA</i>
<i>Peter Daniel</i>	<i>NCDIA</i>
<i>Jane Brotherton</i>	<i>UNC Gen Admin / NC State - Ag House</i>
<i>Larry Tombaugh</i>	<i>NC State Univ.</i>
<i>Bob Stearns</i>	<i>NC FORESTRY ASSN.</i>
<i>Andy Elly</i>	<i>NC Farm Bureau</i>
<i>Julian Philpott</i>	<i>NC Farm Bureau</i>
<i>Paula Huxton</i>	<i>NC Farm Bureau</i>
<i>L. Rogers</i>	<i>FNH</i>
<i>Argun Bone</i>	<i>Bone & Assoc / T I - Bar Council</i>

VISITOR REGISTRATION SHEET

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

[illegible]

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: **Tuesday, February 25, 1997**

TIME: **10:00 a.m.**

LOCATION: **Room 1425**

The following bills will be considered (Bill # & Short Title):

HB 61 Proposed Changes/Chapter 106

HB 96 Livestock Medical Supplies Exempt

HB 210 Ag Dept. Name Change

HB 240 Remove Odor Control Study Match

Respectfully,

Representative John W. Brown
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
3:15 p.m. on February 20, 1997.

____ Principal Clerk
____ Reading Clerk - House Chamber

Anna P. Kidd (Committee Clerk)

AGENDA

HOUSE AGRICULTURE COMMITTEE FEBRUARY 25, 1997

- I. CALL MEETING TO ORDER
- II. REMARKS BY CHAIRMAN
- III. INTRODUCTION OF PAGES
- IV. HB 61 PROPOSED CHANGES/CHAPTER 106
SPONSOR REP. BROWN
- V. HB 96 LIVESTOCK MEDICAL SUPPLIES EXEMPT
SPONSOR REP. DICKSON
- VI. HB 210 AG DEPT. NAME CHANGE
SPONSOR REP. BROWN
- VII. HB 240 REMOVE ODOR CONTROL STUDY MATCH
SPONSOR REP. MITCHELL
- VIII. ANNOUNCEMENTS
- IX. ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

FEBRUARY 25, 1997

The House Committee on Agriculture met in Room 1425 of the Legislative Building on Tuesday, February 25, 1997 at 10:00 a.m. Representative John Brown, Chairman, presided at the meeting with twenty House Members present, five House Members absent and, one House Member excused.

Chairman Brown introduced the pages serving the Committee and welcomed guests.

The following bills were discussed:

House Bill #61, entitled: **AN ACT TO REPEAL OBSOLETE SECTIONS OF CHAPTER 106 OF THE NORTH CAROLINA GENERAL STATUTES.** was explained by Representative John W. Brown. This bill was recommended to the General Assembly by the Agriculture and Forestry Awareness Study Commission. The bill repeals various obsolete provisions in Chapter 106 of the General Statutes. Representative Arlie Culp sent forward an amendment. Representative Rex Baker moved that the amendment be adopted.

The amendment attached was adopted. Representative Rex Baker moved that the bill be reported favorably, as amended. The bill passed, as amended.

House Bill #96 entitled: **AN ACT TO EXPAND THE SALES TAX EXEMPTION FOR MEDICINE USED ON LIVESTOCK AND POULTRY TO INCLUDED VETERINARY SUPPLIES** was explained by Representative Dickson. This bill amends G.S.105-164.13(2a) expanding the State sales tax exemption for various agricultural supplies to included veterinary supplies and equipment. This act is effective when it becomes law. Representative Yongue stated that this bill simplifies book keeping and moved for approval. Representative Dewey Hill sent forward an amendment. Representative Hill moved that the amendment be adopted and the bill be re-referred to finance.

The amendment attached was adopted. The bill passed, as amended.

House Bill #240 entitled: **AN ACT TO REMOVE THE MATCHING FUNDS REQUIREMENT FOR THE FUNDS APPROPRIATED IN 1996 TO CONDUCT AN ODOR CONTROL TECHNOLOGY STUDY, AS RECOMMENDED BY THE**

ENVIRONMENTAL REVIEW COMMISSION was explained by Representative Frank Mitchell. Representative Mitchell stated that this bill amends Section 27.3 of Chapter 18 of the 1996 Session Laws transferring funds from DEHNR to the North Carolina Agricultural Research Service to conduct research into odor control technologies. As originally enacted, the appropriation of \$600,000 in Section 27.3 required matching funds from private sources. House Bill #240 removes the requirement that matching funds be obtained for the funding to be available for the study. This act is effective when it becomes law.

Several questions were taken from the members. Representative John Nichols moved that the bill be given a favorable report. The bill was voted upon and given a favorable report.

House Bill #210, entitled: **AN ACT TO CHANGE THE NAME OF THE NORTH CAROLINA DEPARTMENT OF AGRICULTURE TO THE NORTH CAROLINA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES** was explained by Representative Brown. This bill changes the name of the Department of Agriculture to the Department of Agriculture and Consumer Services. The rationale for the name change is that it more accurately reflects the mission and duties of the Department, which in addition to agriculture, is also responsible for administering the Oil and Gas laws, Chapter 119 of the General Statutes, the Animal Welfare Act, Chapter 19A of the General Statutes, and the food and drug safety laws of the State.

The name of the Commissioner of Agriculture is not changed in this legislation. The Commissioner of Agriculture is an elective officer within the executive branch of government, Article III, Section 7 of the North Carolina Constitution, and a constitutional amendment would be necessary to change the title.

The act is effective when it becomes law.

After several questions from the members, Representative Dewey Hill moved that the bill be given a favorable report. The bill was voted upon and was given a favorable report with two NO votes.

The meeting adjourned at 10:30 a.m.

JOHN W. BROWN, CHAIRMAN

ANNA P. KIDD, CLERK

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 61 A BILL TO BE ENTITLED AN ACT TO REPEAL OBSOLETE SECTIONS OF
CHAPTER 106 OF THE NORTH CAROLINA GENERAL STATUTES.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐ .

☒ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 61

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

H61-ARF-245-97d

Date _____, 1997

Comm. Sub. [☐
Amends Title [☐

1 moves to amend the bill on page 1, lines 15 - 18 by rewriting those
2 lines to read:

3

4 "Section 11. G.S. 106-436 through G.S. 106-451.1 are repealed.;
5 and

6

7 further amends the bill by renumbering the remaining section
8 accordingly".

SIGNED *Julie Hild*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W Brown** for the Committee on **AGRICULTURE**.

- ☐ Committee Substitute for
H.B. 96 A BILL TO BE ENTITLED AN ACT TO EXPAND THE SALES TAX
EXEMPTION FOR MEDICINE USED ON LIVESTOCK AND POULTRY TO INCLUDE
VETERINARY SUPPLIES.
- ☐ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report, as amended.
- ☒ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☒ Finance ☐
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 96

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

H96-ARF-246-97d

Date _____, 1997

Comm. Sub. [☐
Amends Title [☐

1 moves to amend the bill on page 1, line 6,
2 by deleting the term "onanimals" and substituting the phrase "on
3 animals".

SIGNED *Oliver H. H. H.*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 210 A BILL TO BE ENTITLED AN ACT TO CHANGE THE NAME OF THE
NORTH CAROLINA DEPARTMENT OF AGRICULTURE TO THE NORTH CAROLINA
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐.

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 240 A BILL TO BE ENTITLED AN ACT TO REMOVE THE MATCHING FUNDS REQUIREMENT FOR THE FUNDS APPROPRIATED IN 1996 TO CONDUCT AN ODOR CONTROL TECHNOLOGY STUDY, AS RECOMMENDED BY THE ENVIORNMENTAL REVIEW COMMISSION.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on ☐ Appropriations ☐ Finance ☐.

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to original bill (Committee Substitute Bill #), (and recommendation that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE

FEBRUARY

25 , 1997

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS[illegible]

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: **TUESDAY, MARCH 4, 1997**

TIME: **10:00 AM**

LOCATION: **ROOM 1425**

The following bills will be considered (Bill # & Short Title):

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
11:00 AM on THURSDAY, FEBRUARY 27, 1997.

___ Principal Clerk
___ Reading Clerk - House Chamber

ANNA KIDD (Committee Clerk)

AGENDA

HOUSE AGRICULTURE COMMITTEE

MARCH 4, 1997
ROOM 1425
10:00 AM

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

COMMISSIONER JAMES A. GRAHAM
DEPARTMENT OF AGRICULTURE

ANNOUNCEMENTS

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

MARCH 4, 1997

The House Committee on Agriculture met on Tuesday, March 4, 1997 at 10:00 a.m. in Room 1425 of the Legislative Building. Representative John W. Brown, Chairman of the House Agriculture Committee presided with twenty two House Members present and four House Members absent.

Chairman Brown introduced the pages and welcomed all the guests to the Agriculture meeting. At this time, Mr. Brown turned the meeting over to James A. Graham, Commissioner of the Department of Agriculture for the State of North Carolina.

Commissioner Graham gave an overview of "Goodness Grows in North Carolina" and stated that every citizen is affected in some way with the Department of Agriculture. North Carolina's agriculture industry, including food, fiber, and forestry, contributes over \$46 billion annually to the state's economy. It also accounts for over 27 percent of the state's income, and employs 21 percent of the work force (Attachment I).

The Commissioner further stated that we live in a global society which creates international trade as well as domestic trade with millions of dollars in revenue. He stated that the legislatures support is vital to the state. Several questions were taken from members.

At this time, Mr. Graham introduced Dr. Don Eaddy, Director of the Agronomic Division with the Department of Agriculture. Dr. Eaddy stated to the members that under the auspices of the North Carolina Department of Agriculture, the Agronomic Division (Attachment II) works to:

- Increase Productivity.
- Promote Responsible Land Management.
- Protect The Environment.

The department also offers services in four interrelated categories:

1. Soil Testing Services.
2. Plant, Waste, and Solution Advisory Services.
3. Nematode Advisory Services
4. Field Advisory Services.

Dr. Eaddy asked that members support the requests for funding the Department of Agriculture. He promised that the funds would be effectively and efficiently used.

Commissioner Graham next introduced Mr. Bob Murphy, Director of Statistics Division for the Department of Agriculture. Mr. Murphy stated that the department wishes to reach more people via the Internet. This area would reach the children of the state in "Kids Korner". They would provide food safety and the nutritional sides of food. They would provide consumer services and finally they would provide consumer alert. This all would help commodities on the world wide web. Several questions followed.

Commissioner Graham next introduced Maurice Weaver, Deputy Commissioner of the Department of Agriculture. Mr. Weaver asked the members support in a center for Environmental Farming Systems. The center will be the first of its kind in the state: a facility dedicated to the development of farming systems that are environmentally, economically, and socially sustainable.

Mr. Weaver stated that the location of the center will be at the Cherry Farm near Goldsboro. The farm is owned and operated by the North Carolina Department of Agriculture (Attachment III). This center will help develop profitable agricultural systems that satisfy two inescapable needs:

A Clean Environment.

A Safe, high quality supply of Food and Fiber.

At this time, Commissioner Graham introduced Wayne Miller, Director, Division of Marketing. Mr. Miller stated that "Goodness Grows in North Carolina" is the official marketing program of the North Carolina Department of Agriculture (Attachment IV). The program is divided into two categories:

General

Food Products

Nursery Item

Specialty Items

Associate

Grocery Stores

Restaurants

Specialty Stores.

Mr. Miller noted that "Goodness Grows in North Carolina" generated \$60 million for the state last year. Mr. Miller further stated that the growth of agriculture exports in the past 5 years has grown tremendously:

Pork 505%

Cotton 467%

Poultry 278%

In conclusion, Mr. Miller noted that North Carolina will be a major player in feeding the world.

The meeting adjourned at 10:55 a.m.

JOHN W. BROWN, CHAIRMAN

ANNA P. KIDD, CLERK

something to grow about

ATTACHMENT I



major NC farm commodities

RANK	ITEM	1995 CASH RECEIPTS (MILLION DOLLARS)
1	Hogs	1,271
2	Broilers	1,162
3	Tobacco	1,049
4	Greenhouse/Nursery	353
5	Turkeys	332
6	Cotton	314
7	Eggs	203
8	Dairy Products	192
9	Soybeans	136
10	Corn	179
11	Cattle & Calves	152
12	Wheat	110
13	Peanuts	103
14	Sweetpotatoes	56

These commodities account for 92 percent of the total cash receipts from all farm commodities.

1995 CASH RECEIPTS ALL COMMODITIES \$6.99 BILLION
North Carolina's agriculture industry, including food, fiber and forestry, contributes over \$45 billion annually to the state's economy, accounts for over 27 percent of the state's income, and employs 21 percent of the work force.

NORTH CAROLINA DEPARTMENT OF AGRICULTURE

JAMES A. GRAHAM, COMMISSIONER

Internet Address: <http://www.agr.state.nc.us>

how north carolina agriculture compares with other states

1995 production

RANK	ITEM	PRODUCTION	EXCEEDED BY
1	Total Tobacco	485 (Mill Lbs)	None
	Flue-Cured Tobacco	473 (Mill Lbs)	None
	Sweetpotatoes	4,800 (000 Cwt)	None
	Turkeys Raised	61.2 (Mill Hd)	None
2	Number of Hogs on Farms (6-1-95)	3.9 (Mill Hd)	Iowa
	Cucumbers for Pickles	72 (000 Tons)	Mich
	Trout Sold	5,143 (000 Lbs)	Idaho
	Net Farm Income	\$2,880 (Mill \$)	Calif
3	Poultry & Egg Products		
	Cash Receipts	\$2,056 (Mill \$)	Ark, Ga
	Greenhouse & Nursery Receipts	\$859 (Mill \$)	Calif, Fla
4	Commercial Broilers	670 (Mill Hd)	Ark, Ga, Ala
	Peanuts	347 (Mill Lbs)	Ga, Tex, Ala
	Strawberries	192 (000 Cwt)	Calif, Fla, Ore
	Blueberries	13,000 (000 Lbs)	Mich, N.J., Ore
6	Burley Tobacco	10.4 (Mill Lbs)	Ky, Tenn, Ohio
7	Cattfish Sold	2,343 (000 Lbs)	Miss, Ala, Ark
	Watermelons	1,488 (000 Cwt)	Fla, Ga, Tex
	Rye	500 (000 Bu)	S Dak, Ga, Okla
	Apples	270 (Mill Lbs)	Wash, Mich, NY
	Cash Receipts from Livestock, Dairy & Poultry	\$3,735 (Mill \$)	Tex, Neb, Calif
8	Cash Receipts from All Commodities	\$6,987 (Mill \$)	Calif, Tex, Iowa
	Peaches	32 (Mill Lbs)	Calif, SC, Ga
	Cotton	793 (000 Bales)	Tex, Calif, Ga
	Pecans	3,300 (000 Lbs)	Ga, Tex, N Mex
9	Eggs	3,152 (Mill Eggs)	Calif, Ohio, Pa
	Chickens (12-1-95), (Excludes Broilers)	13.3 (Mill Hd)	Calif, Ohio, Ga
	Cash Receipts from Crops	\$3,251 (Mill \$)	Calif, Ill, Iowa
12	Grapes	1,300 (Tons)	Calif, Wash, NY
13	Export Shares	\$1,353 (Mill \$)	Calif, Tex, Ill
14	Number of Farms	53 (000)	Tex, Mo, Iowa
15	Sweet Corn	314 (000 Cwt)	Fla, Calif, Ga
	Tomatoes	210 (000 Cwt)	Fla, Calif, Ga
16	Soybeans	26.3 (Mill Bu)	Iowa, Ill, Minn
	Sorghum Grain	650 (000 Bu)	Kans, Tex, Neb
	Corn for Grain	74.9 (Mill Bu)	Iowa, Ill, Neb
17	All Potatoes	3,177 (000 Cwt)	Idaho, Wash, Wisc
	Winter Wheat	28.2 (Mill Bu)	Kans, Wash
18	Barley	1.3 (Mill Bu)	N Dak, Mo
20	Oats	2.0 (Mill Bu)	N Dak, Wisc
26	Milk	1,417 (Mill Lbs)	Calif, Wisc, NY
31	Number of Cattle on Farms (1-1-95)	1,200 (000 Hd)	Tex, Kans, Neb
35	Hay	1,286 (000 Tons)	S Dak, Calif, Tex

12,000 copies of this public document were printed at a cost of \$237.74 or \$2.02 per copy.

3/98 12,000

- In response to public concerns and government regulations, the Division has been asked to play an increasing role in the management of municipal and industrial wastes. Indiscriminate use of these wastes—which may contain significant levels of heavy metals and nutrients—threatens land productivity, surface- and groundwater quality, food safety, and human health. Since 1983, the number of samples analyzed by the Plant, Waste, and Solution Advisory Section has increased by 350%.
- Plant analyses guide the wise use of nitrogen and other nutrients in the production of intensively managed strawberries valued at over \$7 million. As a result, growers enhance yield and quality while minimizing nutrient application and protecting the environment.
- The Division has developed predictive soil-testing methodologies (Mehlich-1 and -3) that are used throughout the world to improve land-management efficiency.
- Division-sponsored field days have brought together growers, agronomists, and agribusiness dealers to clarify problems, exchange ideas, and implement improved production practices.

Agronomic Division

ATTACHMENT II

Agronomic Services



*Improving
Agricultural Productivity
& Environmental Quality*

N.C. Dept. of Agriculture

FOR ADDITIONAL INFORMATION

For additional information and details on the proper method of submitting samples, contact the NCDA Agronomic Division; 4300 Reedy Creek Road; Raleigh, NC 27607-6465. Phone: (919) 733-2655.

Published by
NCDA Agronomic Division
Donald W. Eaddy Director

James A. Graham
Commissioner
NCDA

10,000 copies of this document were printed in March of 1995 at a cost of \$.09 per copy.

WHAT IS THE AGRONOMIC DIVISION?

Under the auspices of the North Carolina Department of Agriculture (NCDA), the Agronomic Division works to increase crop productivity, promote responsible land management, and protect the environment. To achieve those ends, we provide diagnostic and advisory services for all North Carolina citizens. We also work closely with educational institutions and agribusinesses.

Established in 1938 as the Soil Testing Division, the Agronomic Division was renamed in 1973 to denote the increased range of services we provide. These fall into four interrelated categories:

- Soil Testing Services
- Plant, Waste, and Solution Advisory Services
- Nematode Advisory Services
- Field Advisory Services

To assist growers most effectively, each service applies the most recent scientific advances in soil fertility, plant nutrition, plant disease control, water quality, and waste management.

WHY AN AGRONOMIC DIVISION?

From both an economic and an environmental standpoint, agricultural efficiency is important to every North Carolinian. Declines in such efficiency impose a widening circle of social costs: growers lose money, consumers are denied safe and affordable food and fiber, the state as a whole suffers from environmental problems, and future generations inherit a degraded resource base.

The Agronomic Division helps to avoid these problems by providing science-based land-management information to all those who need it—from large-scale farmers to homeowners and weekend gardeners. Rather than relying on guesswork or trial and error, growers can thus make informed decisions about fertilization, liming, pest control, irrigation, waste management, and related matters.

Reliable agronomic information increases production and efficiency while safeguarding the environment. It forms the foundation for policies that protect the immediate interests of consumers and producers without jeopardizing the land resources upon which future generations will depend.

WHAT IS THE SOIL TESTING SERVICE?

This section analyzes soil samples and makes recommendations concerning optimal fertilizer and lime requirements for plants grown throughout the state. By clarifying a soil's relative nutrient-supplying power, soil tests help maximize amendment efficiency. Growers thus avoid nutrient deficiencies without applying economically wasteful and environmentally unsound fertilizer excesses.

Soil tests reveal fertility status with regard to pH, acidity, and nutrient level. Recommendations are based on crop requirements, soil type, and soil fertility. The service also analyzes problem soils during the cropping season, thus providing growers with a source of emergency information.

Because production on many North Carolina farms is limited by variables other than fertility, amendment recommendations are not designed to achieve a projected yield goal, but to prevent fertility from limiting yield. Recommendations have been developed from numerous field studies designed to predict crop requirements under typical climatic conditions. All soil tests are provided free of charge.



Soil testing is a key to efficient land management.

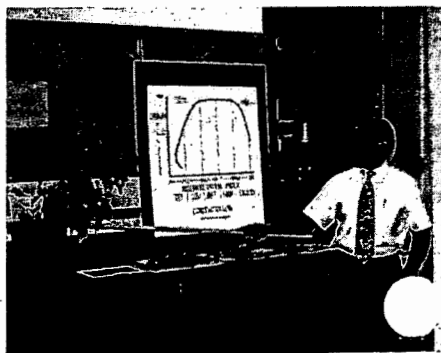
WHAT ARE PLANT, WASTE & SOLUTION SERVICES?

Healthy plants contain predictable concentrations of essential nutrients. Chemical tests performed by the *Plant Advisory Service* help growers monitor these concentrations and thus avoid a variety of nutrient-related production and environmental problems.

Recommendations help growers correct nutrient deficiencies *before they reach a critical stage*. Growers who rely only on visual cues forfeit this safeguard. Indeed, by the time such cues are apparent, irrecoverable losses in yield and quality are likely to have occurred.

The *Waste Advisory Service* facilitates the wise use of farm, municipal, and industrial wastes and by-products. Growers can thus make responsible decisions about how to use these materials to supply crop nutrients. Predictions of first-crop nutrient availability are provided according to various application methods (for example, surface broadcasting, soil incorporation, injection, or irrigation).

In municipal and industrial wastes, potentially harmful elements like nickel, cadmium, and lead are monitored to prevent their accumulation in the soil. In addition, the neutralizing value of some waste products is determined to evaluate their suitability as lime.



Agronomic Division scientists work to educate growers about plant analysis (above) and other services.

Accurate waste-management information is essential to protecting food, water, and the environment. Efficiently managed, waste products can serve as a valuable source of crop nutrients. Recent studies indicate that N.C. livestock waste can supply 19, 66, and 42% of the nitrogen, phosphate, and potash, respectively, required by the state's row crops.

The *Solution Advisory Service* monitors surface- and groundwater quality, and nutrient solutions, for such varied agricultural purposes as irrigation, fertilization, livestock and poultry production, pesticide preparation, pond management, and aquaculture.

The importance of this service is becoming more apparent as population growth and industrialization increase the demand for the state's limited water supplies. All North Carolinians benefit from a reliable means of monitoring water quality. Such monitoring helps to maintain production standards and protect the resources vital to future generations. Each plant, waste, or solution analysis costs \$4.00.

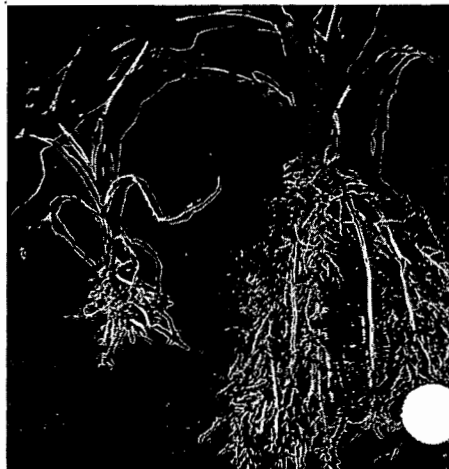
WHAT IS THE NEMATODE ADVISORY SERVICE?

Various referred to as eelworms, roundworms, nemas, or threadworms, plant-parasitic nematodes cost North Carolina growers more than \$80 million per year. Ranging in size from 1/100 to 1/12 of an inch, nematodes feed on plant roots, thus reducing water- and nutrient-uptake efficiency. They also increase the likelihood that plants will be infected by disease-causing bacteria, fungi, and viruses.

In general, nematode problems cannot be identified solely on the basis of plant symptoms. Instead, growers must consult professionals trained to conduct *nematode assays*—microscopic analyses of soils and roots to determine the presence of various nematode species.

The Nematode Advisory Service performs these for all state citizens. Growers are thus able to determine whether nematodes pose a threat to the next crop (current crops may not be affected) and to diagnose whether nematodes contribute to problems that are already apparent.

Assay results and recommendations enable growers to select management strategies best suited



Compare two corn plants grown in the same field: nematode-damaged plant (left), healthy plant (right).

to their particular problems and needs. Emphasis is placed on developing economically feasible and environmentally sound remedies. These typically include a combination of biological, cultural, chemical, and mechanical control measures. Each nematode assay costs \$2.00.

WHAT ARE THE FIELD ADVISORY SERVICES?

A state-wide network of agronomists provide on-site assistance to help growers implement management recommendations in a cost-effective and environmentally sound manner. The eight Regional Agronomists provide hands-on expertise in coping with a variety of location-specific problems. They also help growers establish reliable sampling programs.

By helping to convert technical information into applied knowledge, Regional Agronomists increase productivity and protect the resource base. By maintaining communications between growers and the Division's scientific and laboratory staff, they also insure that the Division remains responsive to current problems. Regional Agronomists are available for farm visits to address a wide range of agricultural, economic, and environmental concerns.

WHAT IMPACT HAS THE DIVISION HAD?

- Each year the Division prevents \$11.5 million in crop losses from nematode damage.
- Each year, the Division saves growers \$5.5 million by clarifying what areas do *not* require nematicides. These recommendations keep needless chemicals off food and fiber supplies on more than 140,000 acres.
- By optimizing lime rates, the Division improves farm efficiency. Studies show, for example, that soybean yields in optimally limed plots are 84% higher than in unlimed plots. In 1993, analysis of 77,800 soil samples helped farmers see that about half the land used to grow corn, soybeans, and all grains was being inadequately limed.
- Tobacco growers rely on solution analysis to evaluate water quality and adjust nutrient solutions in the production of transplants valued at \$28 million annually.
- The Division has helped prevent waste-related production and environmental problems despite a 32% growth in state livestock numbers and a 22% reduction in application sites since 1984.
- By quantifying plant nutrient needs, the Division protects the environment and cuts farm expenses without reducing yields. When Divisional studies revealed that tobacco growers were applying too much phosphorus, for example, average application rates decreased from 185 to 86 pounds per acre. This reduction saves growers \$60 per acre. Yields have remained stable.
- By monitoring soil fertility, the Division helps growers maintain yields while employing technologies such as no-till planting, which can reduce erosion by more than 90% when compared to conventional practices.
- By quantifying the nutrient content of waste products, the Division promotes the responsible use of 145 million pounds of farm-generated nutrients valued at \$30 million.
- By analyzing more than 7,500 plant samples annually and identifying nutrient problems *before* they reach a critical stage, the Division helps prevent incalculable farm losses.

Teamwork

In addition to involving faculty, staff, and students from our institutions, projects at the center will be conducted by teams that will include farmers as partners. The center will rely upon an advisory council representative of North Carolina's cultural and agricultural diversity. This council will be composed of faculty members, farmers, and representatives from citizens' groups, farm organizations, and agencies.

With the council's guidance, projects will be planned and directed using a "systems" approach. This approach will enable us to evaluate results using a range of agronomic, economic, social, and environmental factors.

The Benefits

We believe that our center for environmental farming systems will help us develop profitable agricultural systems that satisfy two of our inescapable needs: a clean environment and a safe, high-quality supply of food and fiber.

As an educational facility, gathering place, and focal point, the center will also increase public understanding of agriculture and its relationship with the environment.

In our view, the health and prosperity of future generations depends upon a mutually beneficial partnership of agriculture, environment, and consumers. At our new center for environmental farming systems, this partnership will find a home.

Faculty Coordinators

Central, whole-farm demonstration project

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Crop Science Extension
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North Carolina State University
Raleigh, NC 27695-7620
919-515-5825
FAX: 919-515-7959
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No-till component

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e-mail: gnaderman@wolf.ces.ncsu.edu

Organic component

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Dr. L. George Wilson
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a center for Environmental Farming Systems

North Carolina State University
College of Agriculture and Life Sciences
North Carolina A&T State University
School of Agriculture
North Carolina Department of Agriculture
The citizens of North Carolina

Our Goal

In partnership with the farmers and citizens of North Carolina, we are making a joint commitment to agriculture that respects the environment.

Our new center for environmental farming systems will be the first of its kind in the state: a facility dedicated to the development of farming systems that are environmentally, economically, and socially sustainable.

Our goal is to protect and enhance North Carolina's environmental quality; we sustain the long-term productivity and profitability of its farms.

Our Program

Our organizations are committed to farming practices and farming systems that focus on ensuring the viability of North Carolina farms and farmers. At our center for environmental farming systems, we will study and demonstrate an array of technologies and strive to integrate them into sustainable farming systems.

- A *central, whole-farm demonstration project* will focus on biological aspects of agricultural sustainability. This component will emphasize integration of crop and livestock production enterprises into a viable, productive farming system. We will integrate crop rotation, nutrient cycling, integrated pest management (IPM), and other strategies to reduce or eliminate negative environmental impacts. This project will not

only serve as a demonstration focal point, but it will also serve the overall program by identifying research needs, supporting specific research projects, and enabling the incorporation of new research findings into the dynamic farming system.

- A *no-till program* (conservation tillage) will focus on optimizing crop production efficiency and profitability in reduced-tillage cropping systems. These activities support efforts to obtain maximum profitable yields while enhancing the environment both on-site and off-site, and will promote soil conservation. Special attention will be given to assessing the impacts of reduced tillage, high-yield production systems on water quality and wildlife populations. Appropriate technologies developed in this program will be integrated into other research and educational activities at the center.
- An *organic* component will develop farming strategies that do not use conventional agrochemicals. This component will involve diversified cropping systems based on planned rotations, use of cover crops, organic soil amendments, and biological and mechanical methods of pest management. A major focus of the organic component will be to improve soil quality through holistic studies of the soil ecosystem. Promising strategies developed in the organic system may be implemented into the whole-farm project or tested in conjunction with reduced tillage approaches.

The Location

The center will be at the Cherry Farm near Goldsboro. The farm is owned and operated by the North Carolina Department of Agriculture.

The Cherry Farm is large enough to provide for a whole-farm demonstration as well as for the component studies. Long-term research can be conducted on a scale necessary to simulate conditions on a modern commercial farm. And the size will allow us to isolate various components, so that management practices used on one field will not necessarily affect another.

Additionally, the Cherry Farm's varied landscapes and soil and water resources will accommodate a diverse mix of field crops, animals, horticultural crops, and non-traditional enterprises. This diversity will also allow us to monitor the effects of our farming practices on a range of ecosystems. Most importantly, the center will be accessible to the faculty, students, extension workers, farmers, and citizens it will serve.

[illegible]

Over 100,000 Gullahs lived in the Sea Islands of South Carolina and Georgia in the 1930s and were still concentrated in the same areas in the 1970s. The Gullahs are the only African Americans who speak a Creole language and have their own culture. They are the descendants of the slaves who were brought to the Sea Islands by the British and the Spanish. They have a unique way of life and a rich cultural heritage. They are the only African Americans who have a distinct identity and a strong sense of community. They are the only African Americans who have a unique language and a rich cultural heritage. They are the only African Americans who have a distinct identity and a strong sense of community. They are the only African Americans who have a unique language and a rich cultural heritage.

James Brown, Robert Forger, Allen Shimmers, Warren Davis

James A. Graham

For more information on the
Goodness Grows in North Carolina program,
or to receive a product application, please call
Warren A. Williams at the
Division of Marketing at (919) 733-7912.
Or, you may fax us at (919) 733-0999.

Criteria for General Membership

- ▶ Product must be top quality
- ▶ Product must be produced or processed in North Carolina
- ▶ If the item is processed, it must contain North Carolina agricultural products when available



Special features of membership in the Goodness Grows in North Carolina program include the following:

- ▶ Consultation with Marketing Specialists to Discuss Your Company's Marketing Strategies and Goals
- ▶ Umbrella and Cooperative Advertising Opportunities Through Electronic, Print and Outdoor Advertising
- ▶ Comprehensive Marketing and Media Programs Throughout the State
- ▶ Consumer Directed Promotions
- ▶ Jointed Participation Rates for Trade Shows and Food Shows
- ▶ Special Presentations to the Food Industry
- ▶ Consultation with Trade Specialists for Retail, Foodservice, Institutional, Speciality and International Markets

The major emphasis of the Goodness Grows in North Carolina program is to heighten awareness and availability of North Carolina food and nursery products. With increased sales of these local products, the eventual benefactors will be the North Carolina farmers and economy.



VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE

MARCH 4

, 1997

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Alan Forman	Agri. Bureau of NC
W. H. V. Diering	NCDA
James T. Green	NCSU - Crop Sci. Dept
Gay Stubbins	NARC
John Cyrous	N.C. State Exchange
Charles Deane	Co-op Council of NC
Peter Daniels	NCDA
Wayne Miller	NCDA
Bob Murphy	NCDA
Don Eaddy	NCBA
Don Hatcher	NCDA
Harry T. Daniel	NCDA
Maurice Weaver	NCDA
Orville Ellen	NC Farm Bureau

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MARCH 11, 1997

TIME: 10:00 AM

LOCATION: ROOM 1425

The following bills will be considered (Bill # & Short Title):

HB 238 FACILITATE ANIMAL WASTE MGT. RESEARCH

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
3:00 PM on THURSDAY, MARCH 6, 1997.

____ Principal Clerk
____ Reading Clerk - House Chamber

ANNA KIDD (Committee Clerk)

AGENDA

HOUSE AGRICULTURE COMMITTEE

MARCH 11, 1997

ROOM 1425

10:00 AM

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

HB #238 FACILITATE ANIMAL WASTE MGT. RESEARCH
SPONSOR REP. MITCHELL

ANNOUNCEMENTS

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

MARCH 11, 1997

The House Committee on Agriculture met on Tuesday, March 11, 1997 at 10:00 a.m. in Room 1425 of the Legislative Building. Representative John W. Brown, Chairman of the House Agriculture Committee presided with eighteen House Members present and eight House Members absent.

Chairman Brown introduced our page and welcomed all the guests to the Agriculture meeting. At this time, Chairman Brown turned the meeting over to Representative Frank Mitchell to speak on House bill #238. Rep. Mitchell explained that HB #238 entitled: AN ACT TO ENCOURAGE OWNERS AND OPERATORS OF ANIMAL WASTE MANAGEMENT SYSTEMS TO PARTICIPATE IN CERTAIN RESEARCH STUDIES DIRECTED BY THE GENERAL ASSEMBLY BY LIMITING ENFORCEMENT ACTIONS FOR UNINTENTIONAL AND NONNEGLIGENT VIOLATIONS OF WATER QUALITY STANDARDS THAT ARE IDENTIFIED IN THE COURSE OF THOSE RESEARCH STUDIES AND TO CLARIFY THE REPORTING DATES FOR THOSE RESEARCH STUDIES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

HB #238 would restrict the Department of Environment, Health, and Natural Resources' enforcement actions where unintentional and nonnegligent violations are found during research studies that were mandated by the General Assembly last summer. Chapter 18 of the 1995 Session Laws (Second Extra Session). These studies include:

1. Odor control technology;
2. Groundwater impacts of lagoons;
3. Atmospheric deposit of nitrogen in the Neuse Estuary;
4. Sources of nitrogen through isotope markers; and
5. Alternative animal waste management technologies.

Enforcement actions for negligence, intentional violations and violations posing an immediate threat to public health or the environment are not limited.

At this time, Representative Rex Baker sent forth an amendment. Several questions followed.

Representative Mitchell explained that Section 2 of the bill limits the provisions of G.S. 142-215.10E(a) that require State employees to report to the Division of Environmental Management certain violations observed while on a farm. Specifically, this section provides that a State employee would not be required to report unintentional or nonnegligent situations involving:

1. Any discharge of waste into the waters of the State;
2. Any deterioration or leak in a lagoon system that poses an immediate threat;
3. Failure to maintain adequate storage capacity; and
4. Overspraying animal waste.

Section 3 of the bill requires the primary investigator on each study to file reports with the Environmental Review Commission.

The act is effective when it becomes law.

A lengthy discussion followed. Representative Hardaway felt the bill needed some work and should go to a subcommittee.

Chairman Brown introduced Mr. Bill Holman CCNC/Sierra Club Lobbyist, who stated that the Conservation Council of North Carolina agree with Representative Mitchell but don't necessarily think the bill is necessary. The state already provides the necessary provisions. He further stated that he felt the bill should go to a subcommittee.

Representative Baker moved that his amendment be adopted. Motion passed.

Representative Arlie Culp moved for a favorable report to House Bill #238 as amended. Motion passed. One No vote.

Representative Culp moved for an unfavorable report to the original bill and a favorable report to the subcommittee. Motion passed.

There being no further business, the meeting adjourned at 10:35 a.m.

JOHN W. BROWN, CHAIRMAN

ANNA P. KIDD, CLERK

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 238 A BILL TO BE ENTITLED AN ACT TO ENCOURAGE OWNERS AND OPERATORS OF ANIMAL WASTE MANAGEMENT SYSTEMS TO PARTICIPATE IN CERTAIN RESEARCH STUDIES DIRECTED BY THE GENERAL ASSEMBLY BY LIMITING ENFORCEMENT ACTIONS FOR UNINTENTIONAL AND NONNEGLIGENT VIOLATIONS OF WATER QUALITY STANDARDS THAT ARE IDENTIFIED IN THE COURSE OF THOSE RESEARCH STUDIES AND TO CLARIFY THE REPORTING DATES FOR THOSE RESEARCH STUDIES, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to committee substitute bill unfavorable as to original bill.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 238*
Proposed Committee Substitute H238-PCS8067

Short Title: Facilitate Animal Waste Mgt. Research.

(Public)

Sponsors:

Referred to:

February 17, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ENCOURAGE OWNERS AND OPERATORS OF ANIMAL WASTE
3 MANAGEMENT SYSTEMS TO PARTICIPATE IN CERTAIN RESEARCH
4 STUDIES DIRECTED BY THE GENERAL ASSEMBLY BY LIMITING
5 ENFORCEMENT ACTIONS FOR UNINTENTIONAL AND NONNEGLIGENT
6 VIOLATIONS OF WATER QUALITY STANDARDS THAT ARE IDENTIFIED
7 IN THE COURSE OF THOSE RESEARCH STUDIES AND TO CLARIFY THE
8 REPORTING DATES FOR THOSE RESEARCH STUDIES, AS
9 RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.
10 The General Assembly of North Carolina enacts:
11 Section 1. The Department of Environment, Health, and Natural
12 Resources shall not take any enforcement action against any person for any
13 unintentional and nonnegligent violation of water quality standards that are identified
14 in the course of any of the research studies directed by Sections 27.3 (odor control
15 technology), 27.7 (groundwater impacts of lagoons), 27.9 (atmospheric deposition of
16 nitrogen in the Neuse Estuary), 27.32(b) (sources of nitrogen through isotope markers
17 and other topics), and 27.35 (alternative animal waste technologies) of Chapter 18 of
18 the 1995 Session Laws (Second Extra Session). This section shall not be construed to
19 limit an enforcement action for any negligent or intentional act or for any violation
20 that poses an immediate threat to public health or the environment. This section
21 shall not be construed to relieve any person from any duty otherwise imposed by law
22 to take remedial or corrective action to correct the violation.

1 Section 2. Notwithstanding the provisions of G.S. 143-215.10E(a), an
2 employee of a State agency or unit of local government who identifies an
3 unintentional or nonnegligent violation listed in subdivisions (1) through (4) of G.S.
4 143-215.10E(a) that is identified in the course of any of the research studies listed in
5 Section 1 of this act shall not report the violation to the Division of Water Quality of
6 the Department of Environment, Health, and Natural Resources unless the violation
7 poses an immediate threat to public health or the environment.

8 Section 3. The Primary Investigator or Researcher for each of the
9 research studies listed in Section 1 of this act shall report to the Environmental
10 Review Commission on the progress of the research study and on any preliminary
11 results of the research study on 1 January and 1 July of each year, beginning 1 July
12 1997, until the research study is concluded. The Primary Investigator shall make a
13 final report, including final results and any recommendations, to the Environmental
14 Review Commission at the conclusion of the research study.

15 Section 4. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 238*

Short Title: Facilitate Animal Waste Mgt. Research.

(Public)

Sponsors: Representatives Mitchell; Weatherly and Nichols.

Referred to: Agriculture, if favorable, Judiciary II.

February 17, 1997

1 A BILL TO BE ENTITLED

2 AN ACT TO ENCOURAGE OWNERS AND OPERATORS OF ANIMAL WASTE
3 MANAGEMENT SYSTEMS TO PARTICIPATE IN CERTAIN RESEARCH
4 STUDIES DIRECTED BY THE GENERAL ASSEMBLY BY LIMITING
5 ENFORCEMENT ACTIONS FOR UNINTENTIONAL AND NONNEGLIGENT
6 VIOLATIONS OF WATER QUALITY STANDARDS THAT ARE IDENTIFIED
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19 limit an enforcement action for any negligent or intentional act or for any violation
20 that poses an immediate threat to public health or the environment. This section
21 shall not be construed to relieve any person from any duty otherwise imposed by law
22 to take remedial or corrective action to correct the violation.

23 Section 2. Notwithstanding the provisions of G.S. 143-215.10E(a), an
24 employee of a State agency or unit of local government who identifies an

1 unintentional or nonnegligent violation listed in subdivisions (1) through (4) of G.S.
2 143-215.10E(a) that is identified in the course of any of the research studies listed in
3 Section 1 of this act is not required to report the violation to the Division of Water
4 Quality of the Department of Environment, Health, and Natural Resources.

5 Section 3. The Primary Investigator or Researcher for each of the
6 research studies listed in Section 1 of this act shall report to the Environmental
7 Review Commission on the progress of the research study and on any preliminary
8 results of the research study on 1 January and 1 July of each year, beginning 1 July
9 1997, until the research study is concluded. The Primary Investigator shall make a
10 final report, including final results and any recommendations, to the Environmental
11 Review Commission at the conclusion of the research study.

12 Section 4. This act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. 1H. B. No. 238DATE 3/11/97

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep. Baker
Sen.) _____1 moves to amend the bill on page 2, line 3

2 () WHICH CHANGES THE TITLE

3 by _____

4 deleting the phrase "is not required to"
5 and substituting the phrase "shall not".

6 _____

7 and on page 3, line 4 by rewriting
8 that line to read

9 _____

10 "Quality of the Department of Environment
11 Health, and Natural Resources" unless12 the violation poses an immediate
13 threat to public health or the environment."

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

SIGNED Baker

ADOPTED _____ FAILED _____ TABLED _____



North Carolina General Assembly Legislative Services Agency

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(919) 733-7044

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Terrence D. Sullivan, Director
Research Division
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Raleigh, NC 27603-5925
(919) 733-2578

March 11, 1997

MEMORANDUM

TO: House Agriculture Committee
FROM: Barbara Riley, Committee Counsel
RE: House Bill 238: Facilitate Animal Waste Mgt. Research

House Bill 238, introduced by Representative Mitchell, would restrict the Department of Environment, Health, and Natural Resources' enforcement actions where unintentional and nonnegligent violations are found during research studies that were mandated by the General Assembly last summer. Chapter 18 of the 1995 Session Laws (Second Extra Session). These studies include:

1. Odor control technology;
2. Groundwater impacts of lagoons;
3. Atmospheric deposit of nitrogen in the Neuse Estuary;
4. Sources of nitrogen through isotope markers; and
5. Alternative animal waste management technologies.

Enforcement actions for negligence, intentional violations, and violations posing an immediate threat to public health or the environment are not limited.

Section 2 of the bill limits the provisions of G.S. 142-215.10E(a) that require State employees to report to the Division of Environmental Management certain violations observed while on a farm. Specifically, this section provides that a State employee would not be required to report unintentional or nonnegligent situations involving:

1. Any direct discharge of waste into the waters of the State;
2. Any deterioration or leak in a lagoon system that poses an immediate threat;
3. Failure to maintain adequate storage capacity; and
4. Overspraying animal waste.

Section 3 of the bill requires the primary investigator on each study to file reports with the Environmental Review Commission.

The act is effective when it becomes law.



VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE.

MARCH 11

, 1997

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

[illegible]

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MARCH 18, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

The following bills will be considered (Bill # & Short Title):

H.B. 409 AGRICULTURE EMPLOYER APPEALS/AB.

H.B. 457 AMEND FOREST DEVELOPMENT ACT/AB.

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
4:00 P.M. on WEDNESDAY, MARCH 12, 1997.

____Principal Clerk
____Reading Clerk - House Chamber

ANNA KIDD (Committee Clerk)

AGENDA

HOUSE AGRICULTURE COMMITTEE

MARCH 18, 1997

ROOM 1425

10:00 A.M.

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

HB #409 AGRICULTURAL EMPLOYER APPEALS/AB.
SPONSOR REP. YONGUE

HB #457 AMEND FOREST DEVELOPMENT ACT/AB.
SPONSOR REP. WEATHERLY

ANNOUNCEMENTS

ADJOURNMENT

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. DOUGLAS YONGUE

OFFICE: ROOM 1305

DATE: WEDNESDAY, MARCH 12, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MARCH 18, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #409 AGRICULTURAL EMPLOYER APPEALS/AB.

We would like to have you attend this meeting.

Representatives JOHN W. BROWN
Co-Chairs

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. JOHN WEATHERLY

OFFICE: ROOM 503

DATE: WEDNESDAY, MARCH 12, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MARCH 18, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B.#457 AMEND FOREST DEVELOPMENT ACT/AB.

We would like to have you attend this meeting.

Representatives JOHN W. BROWN
Co-Chairs

ANNA KIDD (Committee Clerk)

not needed!

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

MARCH 18, 1997

The House Committee on Agriculture met on Tuesday, March 18, 1997 at 10:00 a.m. in Room 1425 of the Legislative Building. Representative John W. Brown, Chairman of the House Agriculture Committee presided with eighteen House Members present, six Members absent and two Members excused.

Chairman Brown introduced our page and welcomed all the guests to the Agriculture meeting. At this time, Chairman Brown turned the meeting over to Representative Douglas Yongue the sponsor for House Bill #409.

Representative Yongue explained that HB #409 entitled: AN ACT CLARIFYING WHERE APPEALS FROM AGRICULTURAL EMPLOYERS WILL BE HEARD shifts appeals from citations under the Migrant Housing Act from the Office of Administrative Hearing to the Health and Safety Board. He further explained when the Migrant Housing Act, Article 19 of Chapter 95 of the General Statutes, was first enacted in 1989, the act established that appeals from citations issued by the North Carolina Department of Labor would be the Office of Administrative Hearings. According to the Department, agriculture interests asked back in 1993 to have appeals shifted to the Board. Although legislation was passed during the 1993 Session, it apparently did not make the necessary changes to transfer jurisdiction of the appeals.

Section 1 of the bill deletes from G.S. 95-227 a reference to G.S. 95-137(b)(4) which removed appeals from citations under the Migrant Housing Act from the Health and Safety Board.

Section 2 of the bill amends G.S. 150-1(e) which lists those agencies exempt from the contested case provisions of the Administrative Procedures Act. The amendment deletes the exception within OSHA appeals for agricultural employers. The act is effective when it becomes law.

After several questions from the members, Representative Rex Baker moved that the bill be given a favorable report. The bill was voted upon and was given a favorable report.

The meeting adjourned at 10:25 a.m.

JOHN W. BROWN, CHAIRMAN

ANNA P. KIDD, CLERK

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 409 A BILL TO BE ENTITLED AN ACT CLARIFYING WHERE APPEALS FROM
AGRICULTURAL EMPLOYERS WILL BE HEARD.

☒ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE

MARCH 18 , 1997

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS[illegible]

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. JOHN WEATHERLY

OFFICE: ROOM 503

DATE: THURSDAY, MARCH 20, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MARCH 25, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B.#457 AMEND FOREST DEVELOPMENT ACT/AB.

We would like to have you attend this meeting.

Representatives JOHN W. BROWN
Co-Chairs

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. BILL OWENS

OFFICE: ROOM 608

DATE: THURSDAY, MARCH 20, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MARCH 25, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

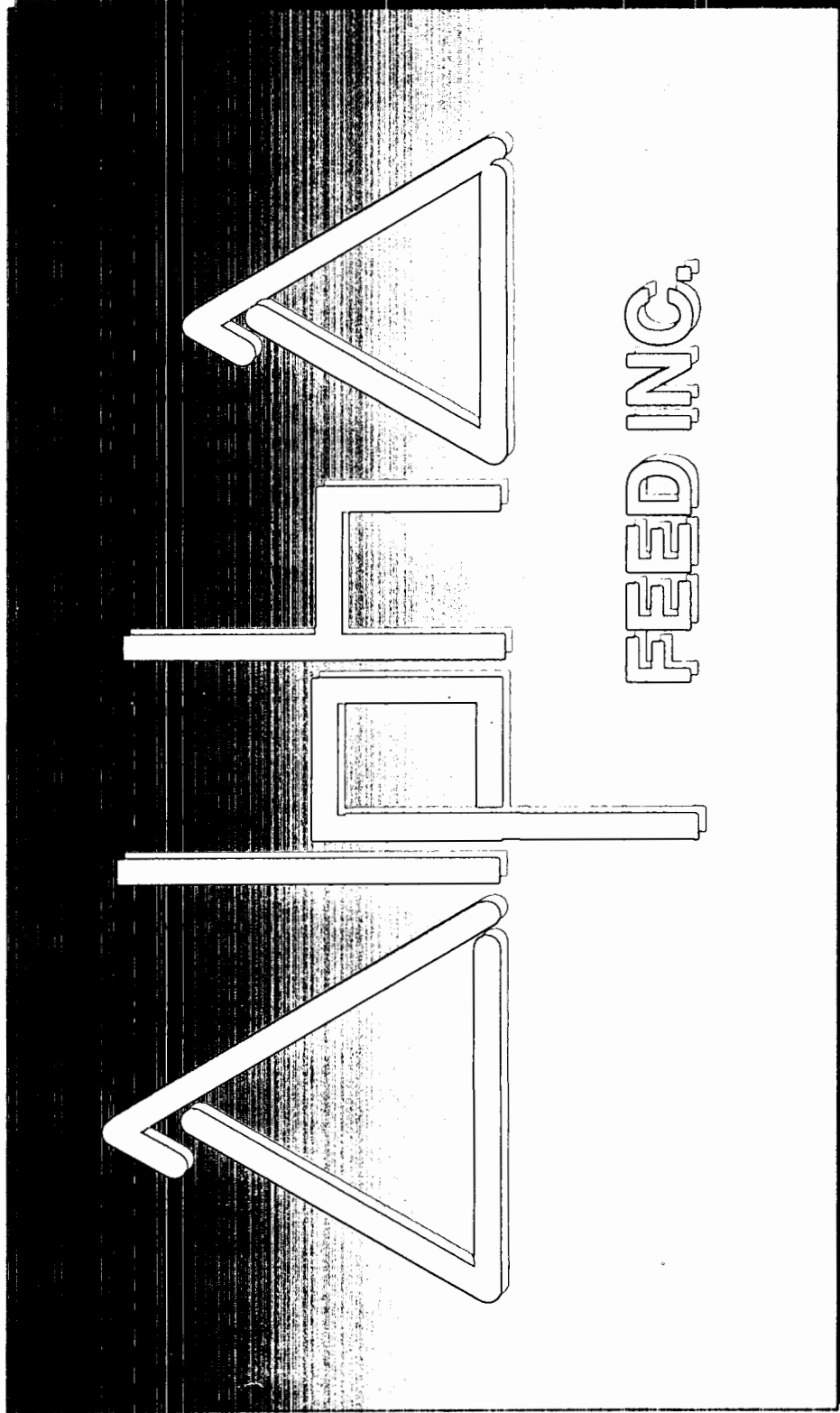
H.B.#463 FARM PRODUCTS WEIGHT EXEMPTIONS

We would like to have you attend this meeting.

Representatives JOHN W. BROWN
Co-Chairs

ANNA KIDD (Committee Clerk)

Handwritten signature





Alpha Feed, Inc. is a private company incorporated under the laws of North Carolina and whose address is 331 Third Street NW, Hickory, NC 28601

Alpha Feed, Inc. is demonstrating technologies that capture the power of the Sun using photosynthesis to grow plants used to make FDA approved animal and fish food (algae) off of Hog Waste economically.

Alpha Feed, Inc. is under contract with North Carolina State University to demonstrate Alpha Feed's POWER (Purified Odor and Water, Enhanced Revenue) System at a Farm in North Carolina.

The feed products manufactured in the POWER process have monetary values exceeding those of Soy Protein and Corn as substitute feed products. FDA sponsored feed studies will confirm this.

The POWER process also addresses numerous environmental issues facing the farming industry. Odors associated with waste water will virtually be eliminated. Waste waters will be cleaned to substantially reduce or eliminate altogether the threat of waste water runoff. The current practice of spraying fields with waste water can be significantly reduced or eliminated completely. Nutrient loading of soils will no longer be an issue with this process. Air quality coming off the waste treatment system will be controlled. Air and water quality in the houses will improve with the POWER process.

Alpha Feed's POWER Systems has a target capital investment payback of 5 to 10 years. This will make an economically attractive process to many of the existing farms in our region as well as allow for growth of the farming industry without the current threats to the environment and concerns of the public.

Upon completion of the demonstration with North Carolina State University, Alpha Feed, Inc. will be capable of full scale implementation for Hog Farms through the country.

ALPHA FEED, INC.
331 3RD ST. N.W., Hickory, N.C. 28601
Tel: 704-328-9989 FAX: 704-328-6252

Hog Waste to Animal Feed Revenue Process

Attached please find the flow diagram for Alpha Feed's Animal Waste Treatment and Biomass Production Facility.

You will notice a very straightforward and "conventional" process diagram upon initially scanning our proprietary treatment system. This must be the case in order to bring an economical solution to the animal waste problem.

Existing conventional waste treatment methodologies have been incorporated into our design to optimize biomass growth, provide an economic delivery tool, and create a "user friendly" delivery system. This however, is the only trait we have in common with any existing waste treatment system ever conceived or in operation.

To understand the fundamentals of our waste treatment system and how we have transformed red bacteria and green algae into acceptable protein and fat supplements rich in amino acids we must begin with the differences between Alpha Feed's waste treatment and standard conventional waste treatment technology.

They are:

1. In conventional waste treatment, biomass production is minimized while water quality is maximized.
2. In Alpha Feed's proprietary process biomass production is maximized while water quality is maximized.

Consequently, the first undertaking was to optimize the environmental conditions under which the red and green biomass would grow and be harvested. Several years ago a proof of principle experiment was carried out under Lawrence C. Sherman's direction at Olin Corporation. Raw poultry waste was fed to red bacteria and green algae in series to discover if in fact reductions in BOD (Biological Oxidation Demand) and TSS (Total Suspended Solids) could be achieved. The experiment was a success as BOD and TSS were reduced from over 80,000 ppm and 50,000 ppm respectively to under 5 ppm for both BOD and TSS. This occurred over four years ago and in fact Olin Corporation spent 3.4 million dollars on the animal waste problem from both a scientific and marketing venue.

The first part of the optimization process was to isolate the optimum growth conditions for the red biomass. Literally hundreds of variables were utilized to determine the cause and effect of growth of the red biomass while increasing the nutrient uptake of the raw Hog waste. Hog waste was utilized in lieu of Poultry waste based on a nearer term customer need in the Hog industrial marketplace than in the Poultry marketplace. Ammonia, pH, Total Organic Carbon, Carbon Dioxide, Sunlight and other factors were rank ordered in a regression analysis to provide optimum growth conditions

for the red biomass. These optimum conditions have been achieved. The red biomass' toxic levels and feed rate levels are now understood together with the mean cell residence time or the optimum time to keep the red biomass in contact with the Hog waste prior to harvesting.

For every 30,000 gallon of Hog waste per day 1.66 tons of dry weight red biomass will be produced.

The green algae was then optimized under the same rigorous research design. Here it was noted that among the major factors of Ammonia, pH, Total Organic Carbon, Sunlight and available Carbon Dioxide a vastly different rank order of toxicity and nutrient uptake was noted in the green biomass when compared to the red biomass.

The green biomass step is a polishing step where final BOD and TSS will be reduced to under 5 ppm respectively.

For every 30,000 gallons of Hog Waste produced .83 tons of dry weight green biomass will be produced.

For both the red and green biomass, the ratio of light to dark exposure together with optimum duration periods for each have been discovered. The red biomass is a proprietary consortium of several red bacterial cultures with known amino acid, fat and protein feed benefit profiles. The green biomass started out as a green algae (Chlorella) with known amino acid and protein feed benefit profiles and evolved after acclimating itself to the Hog waste environment.

We started our research design with the knowledge that a five year capital payback would be necessary in order to make our system viable in the marketplace. The only way to achieve this was to start from the solution (a revenue generating product that would be a feed product) and work backwards into an economic delivery process.

Alpha Feed will patent the actual biomass together with the unique delivery system for a proprietary use patent to keep our system unique. This delivery system and optimum environmental conditions under which the organisms proliferate can be patented under this same patent use strategy.

Since the system has already been optimized, the market identified, and specific customers qualified to purchase under a given set of capital pay back conditions, the next step is to scale up the Photosynthetic System and provide this unit to our customers prior to full scale delivery.

The process diagram enclosed is really a scale up diagram showing biomass harvesting via sedimentation or air flotation. We have left this as an open ended item that will be optimized during scale up. The red and green biomass reactors are fitted with internal lights that together with natural sunlight optimize the biomass growth and water purification.

We are prepared to enter the market utilizing a user friendly system for revenue generation with the added benefit of pollution abatement.

Our contracts will be written with the following flexibility to ensure we meet the existing needs of our customers. We will either:

A. Sell our system outright at a profit, or

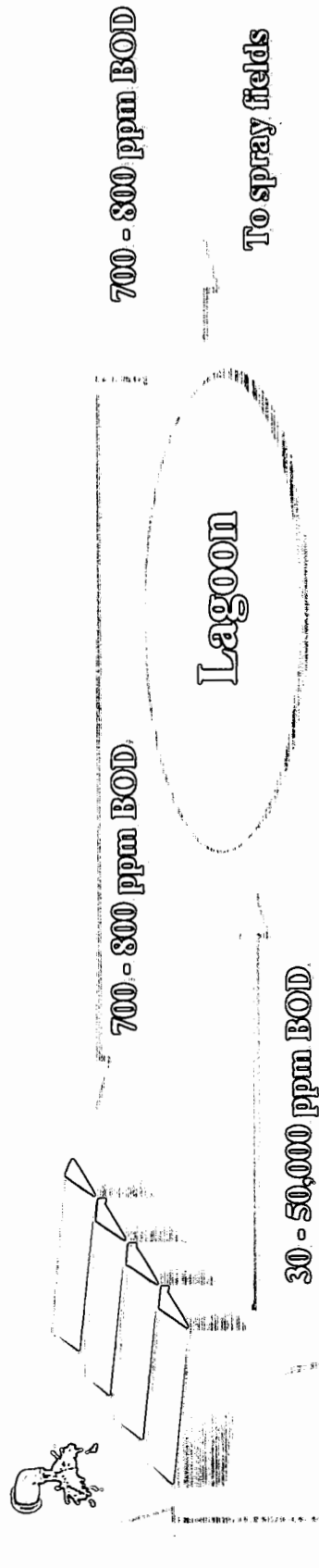
- B. Provide a fully privatized waste treatment system with contracts in place for protein feed delivery and the first right of refusal for the customer's Hog waste already in hand prior to contract signature and ground breaking, or
- C. Receive Royalties as recurring revenue from the ongoing sale of protein and fat feed by providing our system at a marginal discount to the customer.

In either of the aforementioned cases the customer receives the capital payback within five years based on the projected cost of our system and the existing protein and fat feed commodity price in existence today.

We have spent over five years on the technological, marketing and product positioning solutions for the next generation of waste treatment systems. These very products that create revenue streams for our customers will create value added for our shareholders. This next generation of waste treatment technology will be available on a full scale basis in 1997 and from only one company, Alpha Feed, Inc.

TYPICAL 2400 SOW FLOF HOG FARM

- FLUSH TYPE -



30,000 GPD
Make up
(Fresh Water)

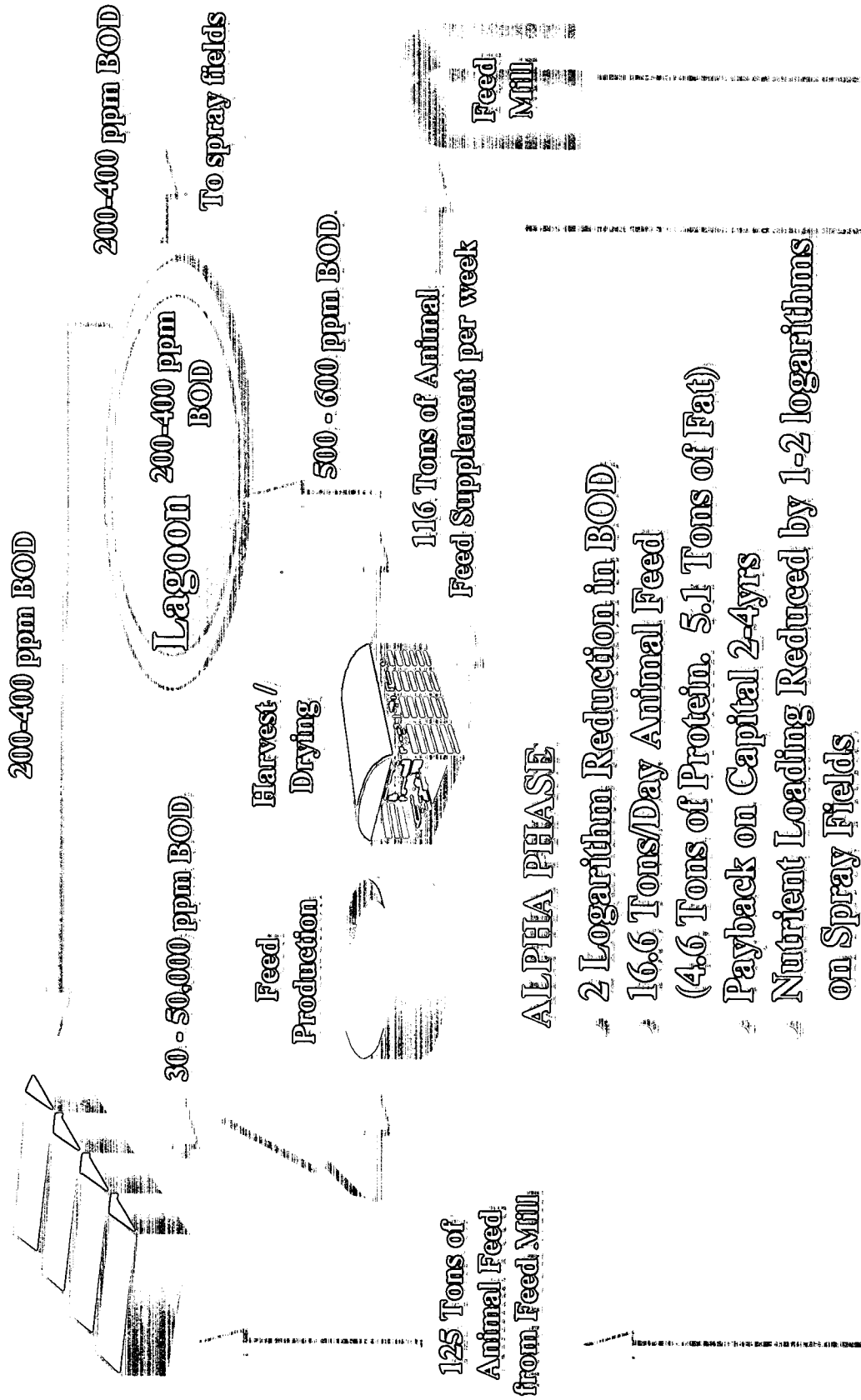
125 Tons of Animal Feed
from Feed Mill

Approximately 300,000 Gal/Day Waste Stream

25 MM Gal Lagoon 83 Day Retention Time

Pit-Type Produces Smaller Total Waste Stream
in Gallons but Higher BOD/Gallon.

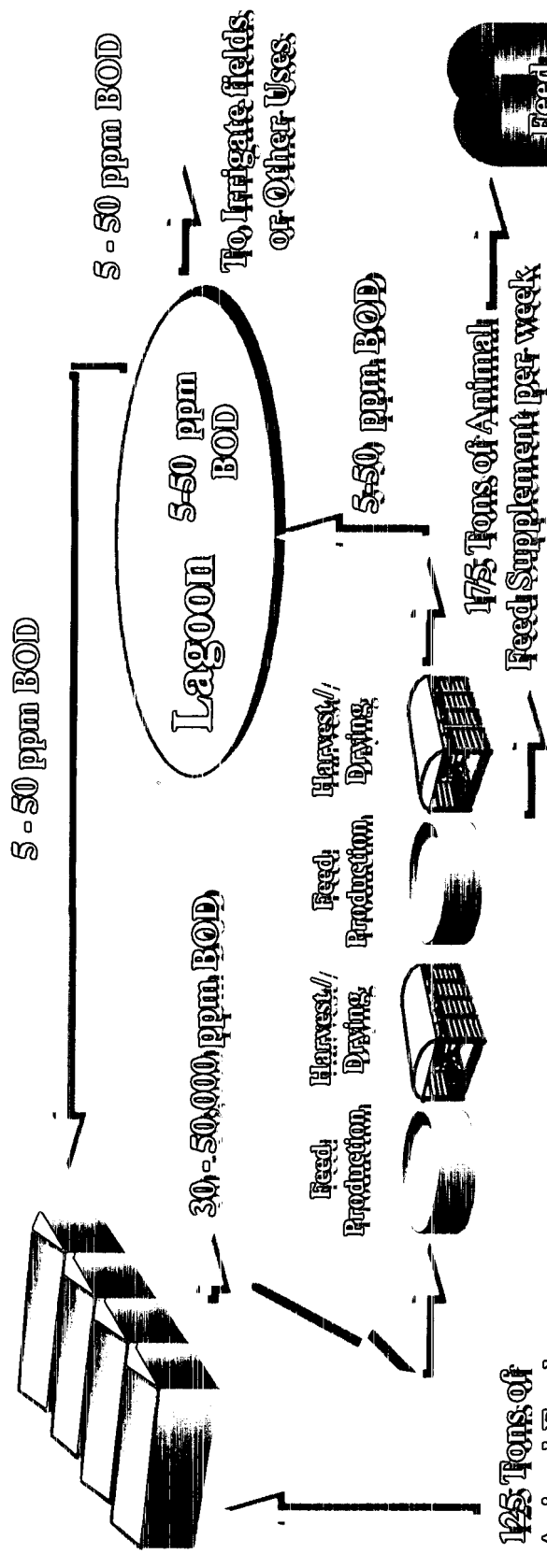
ALPHA PHASE



ALPHA PHASE

- 2 Logarithm Reduction in BOD
- 16.6 Tons/Day Animal Feed (4.6 Tons of Protein, 5.1 Tons of Fat)
- Payback on Capital 2-4yrs
- Nutrient Loading Reduced by 1-2 logarithms on Spray Fields

ALPHA and BETA PHASES



ALPHA and BETA PHASES

- 4 Logarithm Reduction in BOD
- 25 Tons/Day Animal Feed (9.2 Tons of Protein, 5.1 Tons of Fat)
- Payback on Capital 3-6 yrs
- Lagoon Becomes a Pond
- Excess Water Used for Irrigation

JUSTIN SHEPARD BLICKENSDEKFER, JR.

331 Third Street N.W.

Hickory, NC 28601

(704) 328-6864

(704) 328-9989

(704) 328-6252 - Fax

PROFESSIONAL OBJECTIVE

To demonstrate my proven ability in sales/marketing and management for the long term benefit of fellow employees, owners and shareholders of Alpha Feed, Inc.

ACCOMPLISHMENTS

Directed a history of successful programs in technical sales and management with end use customers in heavy industry, municipal and federal governments and agricultural environments.

Proven track record as a leader in business development thrusts making them highly focused early on and generating cash flow ahead of plan.

PROFESSIONAL EXPERIENCE

Biotechna, USA
St. Petersburg, FL

1/96 to present

Accomplishments included directing R&D efforts to concentrate exclusively on the Hog waste situation in North Carolina with emphasis on a user friendly, revenue generating solution. Additional proven success in marketing chemical reactor vessels to the chemical industry and photobioreactors that manufacture algae to the shellfish industry.

Olin Recovery Systems
St. Petersburg, FL

1/95 to 1/96

Southeast Regional Manager- Responsible for new product development within the industrial farm market in the Southeast U.S. Accomplishments included redirecting corporate efforts away from anaerobic digestion technology for farm use and redirecting efforts toward Hog waste revenue producing solutions.

Tailored Foam, Inc.
Hickory, N.C.

8/88 to 1/95

General Manager- Responsible for the ongoing operations of an environmental construction and contracting firm. Directed all efforts from finance, operations and construction to business development, marketing and compliance with State and Federal codes. Responsible for profit and loss. Set up national network of insulation companies.

Olin Water Services
Overland Park, KS

12/77 to 8/88

Area Manager- Responsible for market development and account retention in the Southeast and Mid-Atlantic States. Products included municipal waste treatment and industrial effluent purification. Consistently finished in the top ten nationally for profitability.

Garrett-Callahan Company
Millbrae, CA

1/76 to 12/77

District Sales Representative - Responsibilities included sales of process chemicals to paper, textile and heavy equipment industries. Emphasis on efficiency improvement and pollution control. Finished among top ten in nation.

Drew Chemical Corporation
Parsippany, New Jersey

1/72 to 1/76

District Sales Representative - Responsible for boiler water and cooling water chemical treatment applications. Changed companies for more remuneration.

Bulkley, Dunton, Linde, Lathrop, Inc.,
New York, N.Y.

1/70 to 1/72

Sales Training - Received extensive training in sales and account management. Responsible for operations of a large sales-service department.

EDUCATION

Virginia Military Institute-B.S. Biology 1970.
North Carolina State University- Textile and Management Courses
New York University- Commercial Printing Courses

PERSONAL

Married, two children, auto racing enthusiast

CURRICULUM VITAE

LAWRENCE C. SHERMAN
3014 Ashland Terrace
Clearwater, Florida
Tel: 813 789-6029 Fax: 813-789-5096

Education:

Graduate Penn St. Program for Executive Development 1991
Master of Science - Marketing, The American University 1985
Bachelor of Science- Chemistry, The University of Connecticut 1981

Patents:

U.S. Patent Number 5,389,254 "Reverse Osmosis and Ultraviolet Purification".

Patent Application to be assigned to Alpha Feed, Inc. for "Photosynthetic Purification of Animal Wastes".

Employment:

December 1995 to Present:

Biotechna Environmental Technologies Corporation

Serving as Managing Director Mr. Sherman initiated and invented the Photosynthetic Animal Purification Revenue Generating concept and protocol. Mr. Sherman is responsible for world-wide product development, research, and marketing for Biotechna.

June 1980 to December 1995

Olin Corporation

Mr. Sherman began his career in Pittsburgh, Pennsylvania as a Sales and Service engineer working for Olin Water Services division. This is where he learned the valuable lesson to allow customers to buy rather than try to sell in the competitive water treatment field. After finishing number one in the country in sales productivity, Mr. Sherman was promoted to district manager in Washington, DC. Here Mr. Sherman was responsible for profitability in the mid-Atlantic region. Mr. Sherman's district became the most profitable in the nation and Mr. Sherman was awarded "Person of the Year" at Olin.

Mr. Sherman was then promoted to the Olin Corporation Lobbying office in Washington, DC. Here Mr. Sherman gained valuable experience in the lobbying of elected officials and foreign diplomats. His success turned into an opportunity to serve as Director, Middle East Marketing where Mr. Sherman began his International career.

Mr. Sherman was then promoted to Director, Water Technology, in St. Petersburg, FL. Here global marketing and international agent

networks were set up for waste water and drinking water systems.

This position grew into Director, Olin Recovery Systems where Mr. Sherman began his quest for a Photosynthetic Animal Purification System that created Revenue for its customers.

Alpha Feed, Inc. is now the benefactor for Mr. Sherman's prior work in the Photosynthetic Animal Purification Treatment market.

Personal:

Mr. Sherman is an enthusiastic executive whose leadership style allows him to enjoy "the doing" as much as the managing.

Mr. Sherman currently lives in Clearwater, Florida with his wife Janice and two children, Charles 9 and Corinne 7.

Date of Birth: December 4, 1957.

AGENDA

HOUSE AGRICULTURE COMMITTEE

MARCH 25, 1997

ROOM 1425

10:00 A.M.

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

HB #457 AMEND FOREST DEVELOPMENT ACT/AB.
SPONSOR REP. WEATHERLY

HB #463 FARM PRODUCTS WEIGHT EXEMPTION
SPONSOR REP. OWENS

ALPHA FEED, INC.
JUSTIN "BLICK" BLICKENSDECKER

ANNOUNCEMENTS

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

MARCH 25, 1997

The House Committee on Agriculture met on Tuesday, March 25, 1997 at 10:00 a.m. in Room 1425 of the Legislative Building. Representative John W. Brown, Chairman of the House Agriculture Committee presided with twenty four members present and two members absent.

Chairman Brown introduced the pages serving the Committee and welcomed guests. Chairman Brown turned the meeting over to Representative John Weatherly the sponsor for House Bill #457.

Representative Weatherly explained that HB #457 entitled: AN ACT TO ALLOW RECOVERY OF FUNDS PAID AS FOREST DEVELOPMENT COST-SHARING PAYMENTS WHEN TREES ARE NOT MAINTAINED AT LEAST TEN YEARS AND TO CONVERT THE FOREST DEVELOPMENT FUND TO ONE THAT ACCRUES INTEREST makes two changes to the Forest Development Act, Article 11 of Chapter 113A of the General Statutes. He further stated that the Forest Development Act was enacted in 1977 in recognition of environmental impacts associated with forestry operations and that the demand for forest products could not be met through management of public and industry forest resources alone. G.S. 113A-177. The Forest Development Act provides financial assistance (forest cost-share funds) to eligible landowners to implement approved forestry practices to increase the productivity of their land.

Representative Weatherly stated that the bill adds a new limitation on the disbursement of funds. Landowners will be required to maintain the area and trees subject to the approved forest management plan for a minimum of 10 years. "Maintain" is defined as making every reasonable effort to protect the reforested area from destructive fire, insects, disease, and clearing other than for purposes outlined in the forest management plan. A landowners who fails to so maintain their forest land shall repay the Forest Development Fund all cost-sharing funds received for the area.

The bill also amends the Fund itself to make it nonreverting and to direct the State Treasurer to credit interest to the Fund.

The act becomes effective June 30, 1997.

After numerous questions and lengthy discussions from the members, it was felt that the bill was not suitable in it's wording. At this time, Representative Weatherly made a motion to take the bill off the calendar and work with the Forestry Department on it's wording.

Next Chairman Brown introduced Mr. Justin "Blick" Blickensderfer with the Alpha Feed, Inc. Mr. Blickensderfer stated that Alpha Feed, Inc. is a private company incorporated under the laws of North Carolina who demonstrated technologies that capture the power of the Sun using photosynthesis to grow plants used to make FDA approved animal and fish food (algae) off of Hog Waste economically.

He further stated that Alpha Feed, Inc. is under contract with North Carolina State University to demonstrate Alpha Feed's POWER (Purified Odor and Water, Enhanced Revenue) System at a Farm in North Carolina.

The Feed products manufactured in the POWER process have monetary values exceeding those of Soy Protein and Corn as substitute feed products. FDA sponsored feed studies will confirm this.

The POWER process also addresses numerous environmental issues facing the farming industry. Odors associated with waste water will virtually be eliminated. Waste waters will be cleaned to substantially reduce or eliminate altogether the threat of waste water runoff (Attachment I). The current practice of spraying fields with waste water can be significantly reduced or eliminated completely. Nutrient leading of soils will no longer be an issue with this process. Air quality coming off the waste treatment system will be controlled. Air and water quality in the houses will improve with the POWER process.

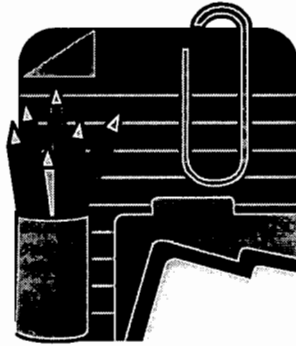
Several questions were taken from the members. Due to the fact that the committee ran out of time, it was suggested that Alpha Feed, Inc. be invited back

to speak further to the members at a later date.

The meeting adjourned at 11:00 a.m.

JOHN W. BROWN, CHAIRMAN

ANNA P. KIDD, CLERK



REMINDER

ONCE AGAIN THE HOUSE AGRICULTURE COMMITTEE MEMBERS WILL BE
HAVING BREAKFAST ON WEDNESDAY, MARCH 26, 1997 AT THE FARMER'S
MARKET.

THIS BREAKFAST IF BEING SPONSORED BY ZEB ALLEY ET AL.

Year	Total (%)	Male (%)
1950	45	40
1955	55	50
1960	65	60
1965	70	65
1970	75	70

, 1997

Date _____

[illegible]**FIRM OR AGENCY AND ADDRESS**

WIEYERHAEUSER CO.

N.C. State Grange

N.C. Agricultural Council

Cooperative Council of NC

W.C. Arabian Drones Co. Ltd.

NCDA-U

UC FORESTRY ASSOC

in State Grand L

VC7B

Joynerhausen

ZDA PA

Barly & Dixon LLP

hcdA

Moure & Van Allen

NCHS A

DEHNK

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**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, APRIL 1, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

The following bills will be considered (Bill # & Short Title):

H.B. #457 AMEND FOREST DEVELOPMENT ACT/AB.

H.B. #463 FARM PRODUCTS WEIGHT EXEMPTIONS

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
12:00 NOON on THURSDAY, MARCH 27, 1997.

____Principal Clerk
____Reading Clerk - House Chamber

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. JOHN WEATHERLY

OFFICE: ROOM 503

DATE: THURSDAY, MARCH 27, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, APRIL 1, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B.#457 AMEND FOREST DEVELOPMENT ACT/AB.

We would like to have you attend this meeting.

Representatives JOHN W. BROWN
Co-Chairs

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. BILL OWENS

OFFICE: ROOM 608

DATE: THURSDAY, MARCH 27, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, APRIL 1, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B.#463 FARM PRODUCTS WEIGHT EXEMPTIONS

We would like to have you attend this meeting.

Representatives JOHN W. BROWN
Co-Chairs

ANNA KIDD (Committee Clerk)

AGENDA

HOUSE AGRICULTURE COMMITTEE

APRIL 1, 1997

ROOM 1425

10:00 A.M.

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

HB #457 AMEND FOREST DEVELOPMENT ACT/AB.

HB #463 FARM PRODUCTS WEIGHT EXEMPTION

ANNOUNCEMENTS

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

APRIL 1, 1997

The House Committee on Agriculture met in Room 1425 of the Legislative Building on Tuesday, April 1, 1997 at 10:00 a.m. Chairman Brown presided with twenty two House Members present and four House Members absent.

Mr. Brown welcomed all the guests and introduced the pages serving the Committee.

House Bill #457, entitled: **AN ACT TO ALLOW RECOVERY OF FUNDS PAID AS FOREST DEVELOPMENT COST-SHARING PAYMENTS WHEN TREES ARE NOT MAINTAINED AT LEAST TEN YEARS AND TO CONVERT THE FOREST DEVELOPMENT FUND TO ONE THAT ACCRUES INTEREST** was explained by Representative John Weatherly. This bill was sent back to staff for further work at the last committee meeting.

A motion from the floor was made to adopt the Committee Substitute. Motion was passed.

At this time, staff explained to the Committee members the changes that were made to the committee substitute as to Section 2 Subsection (a)(b)and (c). Several questions and discussion followed. Representative Fox pointed out a typographical error on page 3 line 22. Representative Hardaway expressed the fact that this was a more amicable bill than the previous one. Representative Carpenter moved that the bill be given a favorable report as to committee substitute, unfavorable as to original bill and recommended that the committee substitute bill be re-referred to the Committee on Finance. Motion carried.

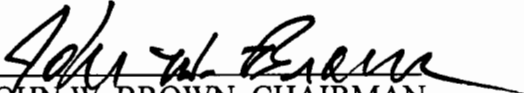
Next, Representative Brown introduced Rep. Owens to explain House Bill #463 entitled: **AN ACT TO INCREASE THE PERMISSIBLE WEIGHT OF AGRICULTURAL CROPS THAT MAY BE TRANSPORTED ON THE HIGHWAYS FROM THE FIELD TO A PLACE WITH CERTIFIED SCALES.** Representative Carpenter made a motion to adopt the committee substitute. Motion passed.

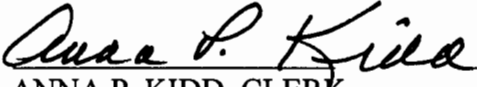
Representative Owens explained that the proposed committee substitute would amend G.S. 20-118(c)(12) to increase the weight exemption for trucks carrying agricultural products from the farm to first market within 35 miles of the farm from 88,000 lbs to 90,000 lbs.. The bill also clarifies that the exemption does not apply to posed bridges.

The act is effective when it becomes law. Discussion and questions were taken from the members.

Representative Watson stated that this is a good bill and she supports it. Representative Watson then moved for a favorable report as to committee substitute bill unfavorable as to original bill. Motion carried.

The meeting adjourned at 10:30 a.m.


JOHN W. BROWN, CHAIRMAN


ANNA P. KIDD, CLERK

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 457

Short Title: Amend Forest Development Act/AB.

(Public)

Sponsors: Representatives Weatherly; Brown, Kiser, Gulley, Mitchell, Morris, and G. Wilson.

Referred to: Agriculture, if favorable, Finance.

March 10, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW RECOVERY OF FUNDS PAID AS FOREST
3 DEVELOPMENT COST-SHARING PAYMENTS WHEN TREES ARE NOT
4 MAINTAINED AT LEAST TEN YEARS AND TO CONVERT THE FOREST
5 DEVELOPMENT FUND TO ONE THAT ACCRUES INTEREST.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 113A-178 reads as rewritten:

8 "§ 113A-178. Definitions.

9 As used in this Article:

- 10 (1) 'Approved forest management plan' ~~shall mean~~ means the forest
11 management plan submitted by the eligible landowner and
12 approved by the Secretary. Such plan shall include forest
13 management practices to insure both maximum forest productivity
14 and environmental protection of the lands to be treated under the
15 management plan.
16 (2) 'Approved practices' ~~shall mean~~ mean those silvicultural practices
17 approved by the Secretary for the purpose of commercially
18 growing timber through the establishment of forest stands, or of
19 insuring the proper regeneration of forest stands to commercial
20 production levels following the harvest of mature timber. Such
21 practices shall include those required to accomplish site
22 preparation, natural and artificial forestation, noncommercial
23 removal of residual stands for silvicultural purposes, and

1 cultivation of established young growth of desirable trees. In each
2 case, approved practices will be determined by the needs of the
3 individual forest stand. These practices shall include existing
4 practices and such practices as are developed in the future to
5 insure both maximum forest productivity and environmental
6 protection.

7 (3) 'Department' ~~shall mean~~ means the Department of Environment,
8 Health, and Natural Resources.

9 (4) 'Eligible landowner' ~~shall mean~~ means a private individual, group,
10 association or corporation owning land suitable for forestry
11 purposes. Where forest land is owned jointly by more than one
12 individual, group, association or corporation, as tenants in
13 common, tenants by the entirety, or otherwise, the joint owners
14 shall be considered, for the purpose of this Article, as one eligible
15 landowner and entitled to receive cost-sharing payments as
16 provided herein only once during each fiscal year.

17 (5) 'Eligible lands' ~~shall mean~~ land' means land owned by an eligible
18 landowner.

19 (6) 'Forest development assessment' ~~shall mean~~ means an assessment
20 on primary forest products from timber severed in North Carolina
21 for the funding of the provisions of this Article, as authorized by
22 the General Assembly.

23 (7) 'Forest development ~~cost-sharing~~ cost-sharing payment' ~~shall mean~~
24 means financial assistance to partially cover the costs of
25 implementing approved practices in such amounts as the Secretary
26 shall determine, subject to the limitations of this Article.

27 (8) 'Forest development fund' ~~shall mean~~ means the special
28 nonlapsing fund established in the Department of Environment,
29 Health, and Natural Resources, designated as the Forest
30 Development Fund, created by G.S. 113A-183.

31 (9) 'Secretary' ~~shall mean~~ means the Secretary of Environment,
32 Health, and Natural Resources.

33 (10) 'Maintain' means to make every reasonable effort to protect the
34 reforested area from destructive fire and grazing, insects, disease,
35 noxious weeds, and being cleared or partially cleared of trees for
36 any purpose other than as provided in an approved forest
37 management plan.'

38 Section 2. G.S. 113A-181 is amended by adding a new subsection to
39 read:

40 "(d) For a 10-year period, eligible landowners shall maintain the areas and trees
41 treated by the approved practices in accordance with the approved forest
42 management plan, and any landowner who fails to do so shall repay to the Fund all
43 cost-sharing funds received for the affected area."

44 Section 3. G.S. 113A-183 reads as rewritten:

1 "§ 113A-183. Forest Development Fund.

2 (a) ~~There is hereby~~ The Forest Development Fund is created in the Department of
3 Environment, Health, and Natural Resources as a nonreverting fund to be designated
4 ~~the Forest Development Fund, fund,~~ fund, for which fiscal management and responsibility
5 are ~~hereby~~ vested in the Secretary. The Fund is a special trust fund, and the State
6 Treasurer shall credit interest to the Fund.

7 (b) This ~~fund~~ Fund shall be the depository for all revenue derived from the forest
8 development assessment on primary forest product processors as authorized by the
9 General Assembly, ~~and~~ for any funds appropriated specifically for the forest
10 development program from the ~~general fund.~~ General Fund, for monetary
11 contribution and donations, and for accrued interest. Those funds appropriated from
12 ~~the general fund remaining in the Forest Development Fund at the end of any fiscal~~
13 ~~year shall revert to the general fund, but revenues~~ Revenues derived from the forest
14 development assessment ~~shall not revert but~~ shall remain in the Forest Development
15 Fund until expended under the provisions of this Article.

16 (c) ~~In any fiscal year, expenditures from the Forest Development Fund shall be~~
17 ~~limited to four times the amount of the general fund appropriation for that year.~~

18 (d) In any fiscal year, no more than five percent (5%) of the available funds
19 generated by the Primary Forest Product Processor Assessment Act shall be used for
20 program support under the provisions of G.S. 113A-179(c).

21 (e) Funds used for the purchase of equipment under the provisions of G.S.
22 113A-179(d) shall be limited to appropriations from the general fund to the Forest
23 Development Fund designated specifically for equipment purchase."

24 Section 4. This act becomes effective June 30, 1997.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 457 A BILL TO BE ENTITLED AN ACT TO ALLOW RECOVERY OF FUNDS PAID AS FOREST DEVELOPMENT COST-SHARING PAYMENTS WHEN TREES ARE NOT MAINTAINED AT LEAST TEN YEARS AND TO CONVERT THE FOREST DEVELOPMENT FUND TO ONE THAT ACCRUES INTEREST.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to committee substitute bill unfavorable as to original bill and recommendation that the committee substitute bill be re-referred to the Committee on Finance.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

Thurman

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1997

H

D

HOUSE BILL 457
Proposed Committee Substitute H457-PCS2215

Short Title: Amend Forest Development Act/AB.

(Public)

Sponsors:

Referred to:

March 10, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW RECOVERY OF FUNDS PAID AS FOREST
3 DEVELOPMENT COST-SHARING PAYMENTS WHEN TREES ARE NOT
4 MAINTAINED AT LEAST TEN YEARS AND TO CONVERT THE FOREST
5 DEVELOPMENT FUND TO ONE THAT ACCRUES INTEREST.
6 The General Assembly of North Carolina enacts:
7 Section 1. G.S. 113A-178 reads as rewritten:
8 "§ 113A-178. Definitions.
9 As used in this Article:
10 (1) 'Approved forest management plan' ~~shall mean~~ means the forest
11 management plan submitted by the eligible landowner and
12 approved by the Secretary. Such plan shall include forest
13 management practices to insure both maximum forest productivity
14 and environmental protection of the lands to be treated under the
15 management plan.
16 (2) 'Approved practices' ~~shall mean~~ mean those silvicultural practices
17 approved by the Secretary for the purpose of commercially
18 growing timber through the establishment of forest stands, or of
19 insuring the proper regeneration of forest stands to commercial
20 production levels following the harvest of mature timber. Such
21 practices shall include those required to accomplish site
22 preparation, natural and artificial forestation, noncommercial
23 removal of residual stands for silvicultural purposes, and

1 cultivation of established young growth of desirable trees. In each
2 case, approved practices will be determined by the needs of the
3 individual forest stand. These practices shall include existing
4 practices and such practices as are developed in the future to
5 insure both maximum forest productivity and environmental
6 protection.

7 (3) 'Department' ~~shall mean~~ means the Department of Environment,
8 Health, and Natural Resources.

9 (4) 'Eligible landowner' ~~shall mean~~ means a private individual, group,
10 association or corporation owning land suitable for forestry
11 purposes. Where forest land is owned jointly by more than one
12 individual, group, association or corporation, as tenants in
13 common, tenants by the entirety, or otherwise, the joint owners
14 shall be considered, for the purpose of this Article, as one eligible
15 landowner and entitled to receive cost-sharing payments as
16 provided herein only once during each fiscal year.

17 (5) 'Eligible ~~lands~~' ~~shall mean~~ land means land owned by an eligible
18 landowner.

19 (6) 'Forest development assessment' ~~shall mean~~ means an assessment
20 on primary forest products from timber severed in North Carolina
21 for the funding of the provisions of this Article, as authorized by
22 the General Assembly.

23 (7) 'Forest development ~~cost-sharing~~ cost-sharing payment' ~~shall mean~~
24 means financial assistance to partially cover the costs of
25 implementing approved practices in such amounts as the Secretary
26 shall determine, subject to the limitations of this Article.

27 (8) 'Forest development fund' ~~shall mean~~ means the special
28 nonlapsing fund established in the Department of Environment,
29 Health, and Natural Resources, designated as the Forest
30 Development Fund, created by G.S. 113A-183.

31 (9) 'Secretary' ~~shall mean~~ means the Secretary of Environment,
32 Health, and Natural Resources.

33 (10) 'Maintain' means to make every reasonable effort to protect the
34 reforested area from destructive fire and grazing, insects, disease,
35 noxious weeds, and being cleared or partially cleared of trees for
36 any purpose other than as provided in an approved forest
37 management plan."

38 Section 2. Article 11 of Chapter 113A of the General Statutes is
39 amended by adding a new section to read:

40 "**§ 113A-180.1. Cost-share agreements.**

41 (a) In order to receive forest development cost-share payments, an eligible
42 landowner shall enter into a written agreement with the Department describing the
43 eligible land, setting forth the approved practices implemented for the area and

1 covered by the approved forest management plan, and agreeing to maintain those
2 practices for a 10-year period.

3 (b) A landowner who fails to maintain the practice or practices for a 10-year
4 period in accordance with the agreement set forth in subsection (a) of this section
5 shall repay to the Fund all cost-sharing funds received for that area.

6 (c) If the landowner voluntarily relinquishes control or title to the land on which
7 the approved practices have been established, the landowner shall:

8 (1) Obtain a written statement from the new owner or transferee in
9 which the new owner or transferee agrees to maintain the
10 approved practices for the remainder of the 10-year period; or

11 (2) Repay to the Fund all cost-sharing funds received for
12 implementing the approved practices on the land.

13 If a written statement is obtained from the new owner or transferee, the original
14 landowner will no longer be responsible for maintaining the approved practices or
15 repaying the cost-sharing funds. The responsibility for maintaining those practices for
16 the remainder of the 10 years shall devolve to the new owner or transferee."

17 Section 3. G.S. 113A-183 reads as rewritten:

18 "**§ 113A-183. Forest Development Fund.**

19 (a) ~~There is hereby~~ The Forest Development Fund is created in the Department of
20 Environment, Health, and Natural Resources as a ~~nonreverting fund to be designated~~
21 ~~the Forest Development Fund, fund,~~ for which fiscal management and responsibility
22 are ~~hereby~~ vested in the Secretary. The Fund is a special trust fund, and the State
23 Treasurer shall credit interest to the Fund.

24 (b) This ~~fund~~ Fund shall be the depository for all revenue derived from the forest
25 development assessment on primary forest product processors as authorized by the
26 General Assembly, ~~and~~ for any funds appropriated specifically for the forest
27 development program from the ~~general fund.~~ General Fund, for monetary
28 contribution and donations, and for accrued interest. ~~Those funds appropriated from~~
29 ~~the general fund remaining in the Forest Development Fund at the end of any fiscal~~
30 ~~year shall revert to the general fund,~~ but revenues Revenues derived from the forest
31 development assessment ~~shall not revert but~~ shall remain in the Forest Development
32 Fund until expended under the provisions of this Article.

33 ~~(c) In any fiscal year, expenditures from the Forest Development Fund shall be~~
34 ~~limited to four times the amount of the general fund appropriation for that year.~~

35 (d) In any fiscal year, no more than five percent (5%) of the available funds
36 generated by the Primary Forest Product Processor Assessment Act shall be used for
37 program support under the provisions of G.S. 113A-179(c).

38 (e) Funds used for the purchase of equipment under the provisions of G.S.
39 113A-179(d) shall be limited to appropriations from the ~~general fund~~ General Fund
40 to the Forest Development Fund designated specifically for equipment purchase."

41 Section 4. This act becomes effective June 30, 1997.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

- ☐ Committee Substitute for
H.B. 463 A BILL TO BE ENTITLED AN ACT TO INCREASE THE PERMISSIBLE
WEIGHT OF AGRICULTURAL CROPS THAT MAY BE TRANSPORTED ON THE
HIGHWAYS FROM THE FIELD TO A PLACE WITH CERTIFIED SCALES.
- ☐ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐.
- ☒ With a favorable report as to committee substitute bill ☒ which changes the title,
unfavorable as to original bill.
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 463

Short Title: Farm Products Weight Exemption.

(Public)

Sponsors: Representatives Owens; and Starnes.

Referred to: Agriculture, if favorable, Finance.

March 10, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE PERMISSIBLE WEIGHT OF AGRICULTURAL
3 CROPS THAT MAY BE TRANSPORTED ON THE HIGHWAYS FROM THE
4 FIELD TO A PLACE WITH CERTIFIED SCALES.
5 The General Assembly of North Carolina enacts:
6 Section 1. G.S. 20-118(c) is amended by adding a new subdivision to
7 read:
8 "(13) Subsections (b) and (e) of this section do not apply to a vehicle
9 that meets one of the following descriptions, is hauling agricultural
10 crops from the farm where they were grown to the local market
11 point where there is a set of scales certified by the North Carolina
12 Department of Agriculture, and does not exceed its registered
13 weight:
14 a. Is a five-axle combination with a gross weight of no more
15 than 90,000 pounds, a single-axle weight of no more than
16 22,000 pounds, a tandem-axle weight of no more than 42,000
17 pounds, and a length of at least 51 feet between the first and
18 last axles of the combination.
19 b. Is a four-axle combination with a gross weight that does not
20 exceed the limit set in subdivision (b)(3) of this section, a
21 single-axle weight of no more than 22,000 pounds, and a
22 tandem-axle weight of no more than 42,000 pounds."
23 Section 2. This act is effective when it becomes law.

minutes

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 463
Proposed Committee Substitute H463-PCS7185

Short Title: Farm Products Weight Exemption.

(Public)

Sponsors:

Referred to:

March 10, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE PERMISSIBLE WEIGHT OF AGRICULTURAL
3 CROPS THAT MAY BE TRANSPORTED ON THE HIGHWAYS FROM THE
4 FIELD TO LOCAL MARKETS.
5 The General Assembly of North Carolina enacts:
6 Section 1. G.S. 20-118(c)(12) reads as rewritten:
7 "(12) Subsections (b) and (e) of this section do not apply to a vehicle
8 that ~~meets one of the following descriptions; (i) is hauling~~
9 agricultural crops from the farm where they were grown to first
10 market, (ii) is within 35 miles of that farm, (iii) does not operate
11 on an interstate highway or posted bridge while hauling the crops,
12 and does not exceed its registered weight; and meets one of the
13 following descriptions:
14 a. Is a five-axle combination with a gross weight of no more
15 than ~~88,000~~ 90,000 pounds, a single-axle weight of no more
16 than 22,000 pounds, a tandem-axle weight of no more than
17 42,000 pounds, and a length of at least 51 feet between the
18 first and last axles of the combination.
19 b. Repealed by Session Laws 1993 (Reg. Sess., 1994), c. 761, s.
20 13.
21 c. Is a four-axle combination with a gross weight that does not
22 exceed the limit set in subdivision (b)(3) of this section, a

1 single-axle weight of no more than 22,000 pounds, and a
2 tandem-axle weight of no more than 42,000 pounds."
3 Section 2. This act is effective when it becomes law.

VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE

APRIL 1

, 1997

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS[illegible]

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: **TUESDAY, APRIL 8, 1997**

TIME: **10:00 A.M.**

LOCATION: **ROOM 1425**

The following bills will be considered (Bill # & Short Title):
S.B. #172 - NO SAFETY COURSE/DISABLED HUNTERS.

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
2:00 P.M. on THURSDAY, APRIL 3, 1997.

____Principal Clerk
____Reading Clerk - House Chamber

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: SENATOR CHARLES W. ALBERTSON

OFFICE: ROOM 525

DATE: THURSDAY, APRIL 3, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, APRIL 8, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

S #172 NO SAFETY COURSE/DISABLED HUNTERS

We would like to have you attend this meeting.

Representative JOHN W. BROWN
Chairman

ANNA KIDD (Committee Clerk)

AGENDA

HOUSE AGRICULTURE COMMITTEE

TUESDAY, APRIL 8, 1997

ROOM 1425

10:00 AM

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

**S.B. #172 NO SAFETY COURSE/DISABLED HUNTERS
SPONSOR SENATOR CHARLIE ALBERTSON**

ANNOUNCEMENTS

ADJOURNMENT

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

2

SENATE BILL 172
Corrected Copy 2/19/97

Short Title: No Safety Course/Disabled Hunters.

(Public)

Sponsors: Senators Albertson; Carpenter, Carrington, Cooper, Dannelly, Foxx, Kincaid, Martin of Pitt, Martin of Guilford, Shaw of Guilford, Warren, and Wellons.

Referred to: Agriculture/Environment/Natural Resources.

February 18, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE ISSUANCE OF HUNTING LICENSES FOR
3 CERTAIN DISABLED HUNTERS WHO HAVE NOT COMPLIED WITH THE
4 HUNTING SAFETY COURSE REQUIREMENT.
5 The General Assembly of North Carolina enacts:
6 Section 1. G.S. 113-270.1A reads as rewritten:
7 "**§ 113-270.1A. Hunter safety course required.**
8 (a) ~~On~~ Except as provided in subsection (a1) of this section, on or after July 1,
9 1991, a person, regardless of age, may not procure a hunting license or hunt in this
10 State without producing a certificate of competency or a hunting license issued prior
11 to July 1, 1991, or signing a statement on a form provided by the Wildlife Resources
12 Commission that he had such a license.
13 (a1) A person who qualifies for a totally disabled resident combination hunting-
14 fishing license under G.S. 113-270.2(c)(12) need not comply with the requirements of
15 subsection (a) of this section in order to receive that license, so long as the person
16 does not make use of the license unless:
17 (1) The person is accompanied by an adult of at least 21 years of age
18 who is licensed to hunt; and
19 (2) The adult hunter maintains a proximity to the disabled hunter
20 which enables the adult to take immediate control of the hunting
21 device at all times.

(b) The Wildlife Resources Commission shall institute and coordinate a statewide course of instruction in hunter ethics, wildlife laws and regulations, and competency and safety in the handling of firearms, and in so doing, may cooperate with any political subdivision, or with any reputable organization having as one of its objectives the promotion of competency and safety in the handling of firearms, including local rod and gun clubs.

(1) The Wildlife Resources Commission shall designate those persons or agencies authorized to give the course of instruction, and this designation shall be valid until revoked by the Commission. Those designated persons shall submit to the Wildlife Resources Commission validated listings naming all persons who have successfully completed the course of instruction.

(2) The Wildlife Resources Commission may conduct the course in hunter safety, using Commission personnel or other persons at times and in areas where other competent agencies are unable or unwilling to meet the demand for instruction.

(3) The Wildlife Resources Commission shall issue a certificate of competency and safety to each person who successfully completes the course of instruction, and the certificate shall be valid until revoked by the Commission.

(4) Any similar certificate issued outside the State by a governmental agency, shall be accepted as complying with the requirements of subsection (a) above, if the privileges are reciprocal for North Carolina residents.

(5) The Wildlife Resources Commission shall adopt rules and regulations to provide for the course of instruction and the issuance of the certificates consistent with the purpose of this section.

(c) On or after July 1, 1991, any person who obtains a hunting license by presenting a fictitious certificate of competency or who attempts to obtain a certificate of competency or hunting license through fraud shall have his hunting privileges revoked by the Wildlife Resources Commission for a period not to exceed one year.

(d) Nothing in this section shall be construed to prohibit the sale of lifetime licenses as provided in G.S. 113-270.2(c)(1a). Pending satisfactory completion of the hunter safety course, persons who possess such licenses may exercise the privileges thereof when accompanied by an adult at least 21 years of age who is licensed to hunt in this State. For the purpose of this section, 'accompanied' is defined as being able to take immediate control of the hunting device."

Section 2. This act is effective when it becomes law.

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

APRIL 8, 1997

The House Committee on Agriculture met on Tuesday, April 8, 1997 at 10:00 a.m. in Room 1425 of the Legislative Building. Chairman John W. Brown presided with nineteen members present and seven members absent.

Representative Brown welcomed guests and introduced the page serving the Committee. Next, Chairman Brown turned the meeting over to Representative Arlie Culp to explain Senate Bill #172 for Senator Charlie Albertson, sponsor of the bill, who was unable to attend the meeting.

Representative Culp explained that SB #172 entitled: AN ACT TO AUTHORIZE THE ISSUANCE OF HUNTING LICENSES FOR CERTAIN DISABLED HUNTERS WHO HAVE NOT COMPLIED WITH THE HUNTING SAFETY COURSE REQUIREMENT would exempt those that are totally disabled from the requirement of completing a hunter safety course in order to obtain a hunting license.

To qualify for the exemption, the disabled hunter must be accompanied by an adult who is at least 21 years old and licensed to hunt and the adult hunter must at all times remain close enough to the disabled hunter to take immediate control of the weapon.

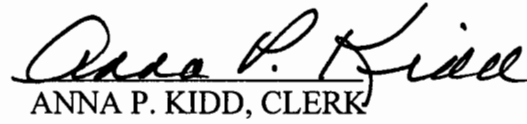
Representative Culp stated that under G.S. 113-270.2(c)(12) totally disabled is defined as "physically incapable of being gainfully employed." The act is effective when it becomes law.

A lengthy discussion followed. Several amendments were presented. It was not clear as to what would constitute "physically disabled and handicap". None of the amendments presented were voted upon.

At this time, Representative Culp recognized Chairman Brown who made a motion to take SB#172 off the calendar and table it for the next meeting so that the sponsor may be present to decide if he would accept the amendments that were presented. Motion carried.

The meeting adjourned at 10:35 a.m.


JOHN W. BROWN, CHAIRMAN


ANNA P. KIDD, CLERK

VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE

APRIL 8, 1997
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS[illegible]

AGENDA

HOUSE AGRICULTURE COMMITTEE

TUESDAY, APRIL 15, 1997

ROOM 1425

10:00 A.M.

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

S.B. #172 - NO SAFETY COURSE/DISABLED HUNTERS

SPONSOR - SENATOR CHARLES W. ALBERTSON

ANNOUNCEMENTS

ADJOURNMENT

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: **TUESDAY, APRIL 15, 1997**

TIME: **10:00 A.M.**

LOCATION: **ROOM 1425**

The following bills will be considered (Bill # & Short Title):

S.B. 172 - NO SAFETY COURSE/DISABLED HUNTERS

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
11:00 A.M. on THURSDAY, APRIL 10, 1997.

____Principal Clerk
____Reading Clerk - House Chamber

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: SENATOR CHARLES W. ALBERTSON

OFFICE: ROOM 525

DATE: THURSDAY, APRIL 10, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, APRIL 15, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

S.B. #172 NO SAFETY COURSE/DISABLED HUNTERS

We would like to have you attend this meeting.

Representative JOHN W. BROWN
Chairman

ANNA KIDD (Committee Clerk)

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

APRIL 15, 1997

The House Committee on Agriculture met in Room 1425 of the Legislative Building on Tuesday, April 15, 1997 at 10:00 a.m. Chairman Brown presided at the meeting with nineteen House Members present and seven House Members absent.

Mr. Brown introduced the page serving the Committee and welcomed guests.

Representative Brown turned the meeting over to Senator Charles Albertson to speak on Senate Bill #172. Senator Albertson explained SB #172 entitled: AN ACT TO AUTHORIZE THE ISSUANCE OF HUNTING LICENSES FOR CERTAIN DISABLED HUNTERS WHO HAVE NOT COMPLIED WITH THE HUNTING SAFETY COURSE REQUIREMENT to the Members.

Representative Buchanan moved to adopt the Committee Substitute. Motion was carried.

Senator Albertson stated that the wording in the Committee Substitute in Section 2 would be as follows: Notwithstanding the provisions of Section 1 of this act, locations where hunting safety is taught shall not be relieved of their obligation to make the our accessible to person with disabilities who wish to take the course. He went on to explain to the members that a constituent who has a disabled child would like to take him hunting. The child will not be able to pass the required test when he turns 16. His only recourse would be for this bill to pass. Senator Albertson stated that the father of the child would accompany him on his hunting trips. Several questions followed.

Mr. Richard B. Hamilton, Assistant Director of the Wildlife Resources Commission, stated that this bill would affect very few people. Wildlife has no problems with this amendment and supports the bill. Several more questions were taken from the floor.

At this time, Representative Charles Buchanan moved that the bill be given a favorable report as to committee substitute be given an unfavorable to original bill and recommended that the committee substitute bill be re-referred to the Committee on Judiciary I.

Motion carried with one NO vote.

The meeting adjourned at 10:30 a.m.


JOHN W. BROWN, CHAIRMAN


ANNA P. KIDD, CLERK

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

S.B. 172 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE
OF HUNTING LICENSES FOR CERTAIN DISABLED HUNTERS WHO HAVE NOT
COMPLIED WITH THE HUNTING SAFETY COURSE REQUIREMENT.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations; ☐ Finance ☐

x With a favorable report as to ^{House} committee substitute bill, unfavorable as to original bill and
recommendation that the ^{House} committee substitute bill be re-referred to the Committee on
Judiciary I.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

D

SENATE BILL 172
Corrected Copy 2/19/97
Proposed Committee Substitute S172-PCS7738

Short Title: No Safety Course/Disabled Hunters.

(Public)

Sponsors:

Referred to:

February 18, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE ISSUANCE OF HUNTING LICENSES FOR
3 CERTAIN DISABLED HUNTERS WHO HAVE NOT COMPLIED WITH THE
4 HUNTING SAFETY COURSE REQUIREMENT.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 113-270.1A reads as rewritten:

7 "**§ 113-270.1A. Hunter safety course required.**

8 (a) ~~On~~ Except as provided in subsection (a1) of this section, on or after July 1,
9 1991, a person, regardless of age, may not procure a hunting license or hunt in this
10 State without producing a certificate of competency or a hunting license issued prior
11 to July 1, 1991, or signing a statement on a form provided by the Wildlife Resources
12 Commission that he had such a license.

13 (a1) A person who qualifies for a totally disabled resident combination hunting-
14 fishing license under G.S. 113-270.1C(b)(3) need not comply with the requirements of
15 subsection (a) of this section in order to receive that license, so long as the person
16 does not make use of the license unless:

17 (1) The person is accompanied by an adult of at least 21 years of age
18 who is licensed to hunt; and
19 (2) The adult hunter maintains a proximity to the disabled hunter
20 which enables the adult to take immediate control of the hunting
21 device at all times.

(b) The Wildlife Resources Commission shall institute and coordinate a statewide course of instruction in hunter ethics, wildlife laws and regulations, and competency and safety in the handling of firearms, and in so doing, may cooperate with any political subdivision, or with any reputable organization having as one of its objectives the promotion of competency and safety in the handling of firearms, including local rod and gun clubs.

(1) The Wildlife Resources Commission shall designate those persons or agencies authorized to give the course of instruction, and this designation shall be valid until revoked by the Commission. Those designated persons shall submit to the Wildlife Resources Commission validated listings naming all persons who have successfully completed the course of instruction.

(2) The Wildlife Resources Commission may conduct the course in hunter safety, using Commission personnel or other persons at times and in areas where other competent agencies are unable or unwilling to meet the demand for instruction.

(3) The Wildlife Resources Commission shall issue a certificate of competency and safety to each person who successfully completes the course of instruction, and the certificate shall be valid until revoked by the Commission.

(4) Any similar certificate issued outside the State by a governmental agency, shall be accepted as complying with the requirements of subsection (a) above, if the privileges are reciprocal for North Carolina residents.

(5) The Wildlife Resources Commission shall adopt rules and regulations to provide for the course of instruction and the issuance of the certificates consistent with the purpose of this section.

(c) On or after July 1, 1991, any person who obtains a hunting license by presenting a fictitious certificate of competency or who attempts to obtain a certificate of competency or hunting license through fraud shall have his hunting privileges revoked by the Wildlife Resources Commission for a period not to exceed one year.

(d) Nothing in this section shall be construed to prohibit the sale of lifetime licenses as provided in G.S. 113-270.2(c)(1a). Pending satisfactory completion of the hunter safety course, persons who possess such licenses may exercise the privileges thereof when accompanied by an adult at least 21 years of age who is licensed to hunt in this State. For the purpose of this section, 'accompanied' is defined as being able to take immediate control of the hunting device."

Section 2. Notwithstanding the provisions of Section 1 of this act, locations where hunting safety is taught shall not be relieved of their obligation to make the course accessible to persons with disabilities who wish to take the course.

Section 3. This act is effective when it becomes law.

APRIL 15 , 1997

Date _____

[illegible]

NAME	FIRM OR AGENCY AND ADDRESS
Vernor Janner	NC State Grange
Frank Rose	Wildlife Comm.
Richard Hamilton	Wildlife
MT Burnette	GAEPT
Ken Franklin	
Left Blum	
	NC Forestry Association
John Cyrus	N.C. State Grange
Paul T. Dew	N.C. Park Council
Donna Reynolds	wife Rep. Dennis Reynolds
Peter Danice	NCDR
Gray Hardisty	N.C. Park Council
Charles Sullwood	NC Wildlife
David Muelitz	N.C. State Grange

AGENDA

HOUSE AGRICULTURE COMMITTEE

TUESDAY, APRIL 22, 1997

ROOM 1425

10:00 A.M.

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

**H.B. #935 - PROMOTE LLAMA BREEDING
SPONSOR - REPRESENTATIVE CHARLES BEALL**

ANNOUNCEMENTS

ADJOURNMENT

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: **TUESDAY, APRIL 22, 1997**

TIME: **10:00 A.M.**

LOCATION: **ROOM 1425**

The following bills will be considered (Bill # & Short Title):

HB 935 - PROMOTE LLAMA BREEDING

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
1:00 P.M. on THURSDAY, APRIL 17, 1997.

____ Principal Clerk
____ Reading Clerk - House Chamber

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. CHARLES M. BEALL

OFFICE: ROOM 510

DATE: WEDNESDAY, APRIL 16, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, APRIL 22, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. 935 - PROMOTE LLAMA BREEDING

We would like to have you attend this meeting.

Representatives JOHN W. BROWN
Co-Chairs

ANNA KIDD (Committee Clerk)

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

APRIL 22, 1997

The House Committee on Agriculture met in Room 1425 of the Legislative Building on Tuesday, April 22, 1997 at 10:00 a.m. Representative John W. Brown, Chairman, presided at the meeting with twenty House Members present, four House Members excused, and two House Members absent.

At this time, Chairman **Brown** introduced the page serving the Committee and welcomed guests.

Next, Mr. Brown introduced Representative Charles Beall who spoke on House Bill #935, entitled: **AN ACT TO RECOGNIZE LLAMAS AS LIVESTOCK ANIMALS**. Representative Beall stated that this bill provides for the inclusion of Llamas as livestock under the General Statutes. Specifically Section 1 amends G.S. 113A-52.01, to make it clear that Llamas are livestock, the breeding and grazing of which is not a land-disturbing activity under the Sedimentation Pollution Control Act. Section 2 includes Llamas under the Livestock Act, Article 3 of Chapter 68 of the General Statutes. As livestock under Articles 3, they cannot be allowed to run at large and are subject to other laws regarding the feeding and care of impounded livestock.

He further stated that Section 3 of the bill sets forth the intention of the General Assembly that Llamas be treated as domesticated livestock and to promote the development of the Llama industry in the state. In adopting rules, the Board of Agriculture is not to refer to Llamas as wild or exotic animals.

The act is effective when it becomes law. Section 3 applies to rules adopted on or after that date.

Several questions were taken from the floor. Representative Ownes asked the sponsor if he knew of any opposition to this bill? Representative Beall answered in the negative. Additional questions were taken from the floor.

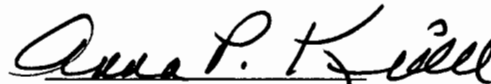
Representative Hightower moved that the bill be given a favorable report. The bill was voted upon and was given a favorable report.

House Bill #1120, entitled: **AN ACT TO ALLOW PRESCRIBED BURNING IN FORESTS BY FOREST LANDOWNERS UNDER CERTAIN CONDITIONS** was explained by Representative McComas. Representative McComas explained that this bill seeks to establish safety guidelines for prescribed burns on public and private land. Prescribed burning is a land management technique used under specific conditions as outlined in a fire management plan. The benefits of this is beneficial for both wildlife and human populations. Representative McComas explained that prescribed burns reduce competition and hazards to forest management (Attachment I).

After several questions from the members, Representative Eddins moved that the bill be given a favorable report and be referred to the Committee on Judiciary I. The bill was voted upon and was given a favorable report.

The meeting was adjourned at 10:30 a.m.


JOHN W. BROWN, CHAIRMAN


ANNA P. KIDD, CLERK

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 935

Short Title: Promote Llama Breeding.

(Public)

Sponsors: Representatives Beall, Ramsey, and Brown.

Referred to: Agriculture.

April 14, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO RECOGNIZE LLAMAS AS LIVESTOCK ANIMALS.
3 The General Assembly of North Carolina enacts:
4 Section 1. G.S. 113A-52.01 reads as rewritten:
5 "§ 113A-52.01. Applicability of this Article.
6 This Article shall not apply to the following land-disturbing activities:
7 (1) Activities, including the breeding and grazing of livestock,
8 undertaken on agricultural land for the production of plants and
9 animals useful to man, including, but not limited to:
10 a. Forages and sod crops, grains and feed crops, tobacco,
11 cotton, and peanuts.
12 b. Dairy animals and dairy products.
13 c. Poultry and poultry products.
14 d. Livestock, including beef cattle, llamas, sheep, swine, horses,
15 ponies, mules, and goats.
16 e. Bees and apiary products.
17 f. Fur producing animals.
18 (2) Activities undertaken on forestland for the production and
19 harvesting of timber and timber products and conducted in
20 accordance with best management practices set out in Forest
21 Practice Guidelines Related to Water Quality, as adopted by the
22 Department.
23 (3) Activities for which a permit is required under the Mining Act of
24 1971, Article 7 of Chapter 74 of the General Statutes.

(4) For the duration of an emergency, activities essential to protect human life."

Section 2. G.S. 68-15 reads as rewritten:

"§ 68-15. Term 'livestock' defined.

The word 'livestock' in this Chapter shall include, but shall not be limited to, equine animals, bovine animals, sheep, ~~goats~~ goats, llamas, and swine."

Section 3. Any rules adopted by the Board of Agriculture that affect llamas shall not refer to llamas as exotic or wild animals. It is the intent of the General Assembly that llamas be treated as domesticated livestock in order to promote the development and improvement of the llama industry in the State. This section does not prohibit the Board of Agriculture from classifying llamas for animal health purposes in accordance with generally accepted standards of veterinary medicine. For purposes of this section, 'llama' means a South American camelid that is an animal of the genus llama. Llama includes llamas, alpacas, and guanacos. Llama does not include vicunas.

Section 4. This act is effective when it becomes law. Section 3 of this act applies to rules adopted or amended on or after this date.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 935 A BILL TO BE ENTITLED AN ACT TO RECOGNIZE LLAMAS AS
LIVESTOCK ANIMALS.

- ☒ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

GENERAL ASSEMBLY OF NORTH CAROLINA FILED

SESSION 1997

1120

APR 17 97

H

HOUSE PRINCIPAL CLERK

D

HOUSE DRH1268-LD178(4.8)

Short Title: Prescribed Burning in Forests.

(Public)

Sponsors: Representative McComas.

Referred to:

1 A BILL TO BE ENTITLED

2 AN ACT TO ALLOW PRESCRIBED BURNING IN FORESTS BY FOREST
3 LANDOWNERS UNDER CERTAIN CONDITIONS.

4 The General Assembly of North Carolina enacts:

5 Section 1. Chapter 113 of the General Statutes is amended by adding a
6 new Article to read:

7 "ARTICLE 4E.

8 "North Carolina Prescribed Burning Act.

9 "§ 113-60.40. Legislative findings.

10 The General Assembly finds that prescribed burning of forestlands is a
11 management tool that is beneficial to North Carolina's public safety, forest and
12 wildlife resources, environment, and economy. All of the following are benefits that
13 result from prescribed burning of forestlands:

14 (1) Prescribed burning reduces the naturally occurring buildup of
15 vegetative fuels on forestlands. Reduction of these fuels by
16 prescribed burning reduces the risk and severity of wildfires, thus
17 lessening the loss of life and property.

18 (2) The State's ever-increasing population is resulting in urban
19 development directly adjacent to fire prone forestlands. Such an
20 area is referred to as a woodland-urban interface area. The use of
21 prescribed burning in these woodland-urban interface areas
22 substantially reduces the risk of damaging wildfires.

23 (3) Many of North Carolina's natural ecosystems require periodic fire
24 for their survival. Prescribed burning is essential to the
25 perpetuation, restoration, and management of many plant and

animal communities. Fire benefits game, nongame, and endangered wildlife species by increasing the growth and yield of plants that provide forage, escape, brooding, and other habitat needs.

(4) Forestlands are economic, biological, and aesthetic resources of statewide significance. In addition to reducing the frequency and severity of wildfires, prescribed burning of forestlands helps to prepare sites for replanting and natural seeding, to control insects and diseases, and to increase productivity.

(5) The resources on public use lands, such as State and national forests, wildlife refuges, nature preserves, and game lands, are enhanced by prescribed burning. Private lands that are managed for wildlife, recreation, and other purposes are similarly enhanced by prescribed burning.

(6) As North Carolina's population grows, pressures resulting from liability issues and smoke complaints discourage or limit prescribed burning so that these numerous benefits to forestlands often are not attainable.

(7) The General Assembly's recognition of the benefits of prescribed burning and the adoption of requirements governing prescribed burning will help to educate the public and avoid misunderstandings and reduce complaints about this valuable management tool.

"§ 113-60.41. Definitions.

As used in this Article:

(1) 'Certified prescribed burner' means an individual who has successfully completed a certification program approved by the Division of Forest Resources of the Department of Environment, Health, and Natural Resources.

(2) 'Prescribed burning' or 'prescribed burn' means the planned and controlled application of fire to naturally occurring vegetative fuels under safe weather, environmental, and other conditions, while following appropriate precautionary measures that will confine the fire to a predetermined area and accomplish the intended management objectives.

(3) 'Prescription' means a written plan prepared by a certified prescribed burner for starting, controlling, and extinguishing a prescribed burn.

"§ 113-60.42. Immunity from liability.

(a) Any prescribed burning conducted in compliance with G.S. 113-60.43 is in the public interest and does not constitute a public or private nuisance.

(b) A landowner or the landowner's agent who conducts a prescribed burn in compliance with G.S. 113-60.43 shall not be liable in any civil action for any damage or injury caused by or resulting from smoke.

1 (c) This section does not apply when a nuisance or damage results from the
2 negligent or improper conduct of the prescribed burn.

3 **"§ 113-60.43. Prescribed burning.**

4 (a) Prior to the burning, a prescription for the prescribed burning shall be
5 prepared by a certified prescribed burner and shall be filed with the Division of
6 Forest Resources, Department of Environment, Health, and Natural Resources. A
7 copy of the prescription shall be provided to the landowner and shall be present on
8 the site throughout the period of the burning. The prescription shall include all of
9 the following:

- 10 (1) The landowner's name and address.
- 11 (2) A description of the area to be burned.
- 12 (3) A map of the area to be burned.
- 13 (4) An estimate of the fuel tonnage on the area.
- 14 (5) The objectives of the prescribed burn.
- 15 (6) A list of the acceptable weather conditions and parameters for the
16 prescribed burn.
- 17 (7) The name of the certified prescribed burner responsible for
18 conducting the prescribed burn.
- 19 (8) A summary of the methods to be used to start, control, and
20 extinguish the prescribed burn.

21 (b) The prescribed burning shall be conducted by a certified prescribed burner in
22 accordance with the prescription that satisfies subsection (a) of this section. The
23 certified prescribed burner shall be present on the site and shall be in charge of the
24 burning throughout the period of the burning.

25 (c) The landowner or the landowner's agent shall obtain a current and valid
26 open-burning permit under Article 4C of this Chapter from the Division of Forest
27 Resources, Department of Environment, Health, and Natural Resources. This open-
28 burning permit must remain in effect throughout the period of the burning. The
29 burning shall be conducted in compliance with all of the following:

- 30 (1) The terms and conditions of the open-burning permit.
- 31 (2) The State's air pollution control statutes and any rules adopted by
32 the Environmental Management Commission pursuant to these
33 statutes.
- 34 (3) Any applicable local ordinances relating to open burning.
- 35 (4) The voluntary smoke management guidelines adopted by the
36 Division of Forest Resources.
- 37 (5) Any rules adopted by the Division of Forest Resources to
38 implement this Article.

39 (d) This Article does not apply when the Secretary of Environment, Health, and
40 Natural Resources has prohibited all open burning pursuant to G.S. 113-60.25.

41 **"§ 113-60.44. Adoption of rules.**

42 The Division of Forest Resources may adopt rules that govern prescribed burning
43 under this Article."

44 Section 2. This act is effective when it becomes law.



4011 University Drive
Suite 201
Durham, North Carolina
27707

TEL 919 403-8558
FAX 919 403-0379

International Headquarters
Arlington, Virginia
TEL 703 841-5300

N.C. PRESCRIBED BURNING ACT

What is the Prescribed Burning Act?

This act seeks to establish safety guidelines for prescribed burns on public and private land. The responsible use of fire reduces the buildup of natural fuel loads, enhances habitats for plant and animal populations, and improves forest resources. Under the prescribed burning act, landowners will be required to file a plan before conducting a burn. Educating the public about this practice and adopting statewide requirements governing its use will allow prescribed burning to become a more commonly used forest management practice. The Nature Conservancy, the N.C. Division of Forest Resources, the N.C. Forestry Association, the N.C. Division of Parks and Recreation, the N.C. Wildlife Resources Commission, the U.S. Forest Service, the U.S. Fish and Wildlife Service, the U.S. Department of Defense, and others support this legislation.

What is a prescribed burn?

Prescribed burning is a land management technique used under specific conditions as outlined in a fire management plan. Prescribed burns are planned, set, and extinguished by professionally trained staff following specific guidelines for wind, temperature, humidity, and soil moisture. Its use reduces fuel loads and restores and maintains many North Carolina natural communities that need fire to survive. It is intended to imitate naturally occurring lightning fires that are frequently suppressed by human intervention. The natural areas of the southeastern United States evolved with frequent fires, as more frequent lightning strikes occur in this region than in any other part of North America. Fire has been an important part of North Carolina's landscape for thousands of years, and many plants and animals have come to rely on it for their survival, including the longleaf pine, the state tree.

What are the benefits of prescribed burning?

Prescribed burning is beneficial for both wildlife and human populations. Burning can significantly reduce the danger of catastrophic, uncontrolled wildfires by removing most of the fuels that might be ignited by an unintended spark during a drought. Less smoke is emitted during a prescribed burn than during a wildfire, since prescribed burns are small and controlled. Reducing the threat of wildfires makes it easier to manage private property for timber and wildlife. Burning creates a more productive forest, with healthier trees and plants, and more forage for wildlife. Sites can be prepared for seeding and planting and competing vegetation and disease can be controlled more easily.

Why do these agencies use fire?

Prescribed burns reduce competition and hazards to forest management. They also enhance the habitat that many endangered species and game species need to survive. Quail and deer benefit from the vigorous growth that occurs after a burn. Sixty-six rare plant species are only found in fire-maintained longleaf pine forests. When fire is excluded from these communities, hardwoods such as oak, gallberry, red bay and sweetbay will quickly grow up and shade out the herbaceous plants, reducing the overall plant diversity. Frequent burning is essential for longleaf pine to thrive. The federally endangered red-cockaded woodpecker builds cavities in old-growth longleaf pines. With the understory kept more open through prescribed burns, the woodpeckers' nests are safer from predators and there is less competition from other woodpeckers that prefer shrubby habitats. Prescribed burns are performed in this habitat only after extensive scientific research indicates how, when, and where a burn may be usefully applied and safely carried out.

What training is available for timber companies, conservation organizations, and private landowners conducting prescribed burns?

The North Carolina Forest Service provides training in how to conduct a prescribe burn and contracts to conduct these burns. Much of the N.C. Forest Service's work consists of controlling wild fires. Through education of private landowners on the benefits of prescribed burns, this agency hopes to reduce the chance of large wild fires occurring and encourage better forest management practices. The prescribed burning courses set strict standards for weather conditions and equipment in order to conduct a burn.

Are many plants killed by fire?

A prescribed burn will kill many plants that are not adapted to fire. Fire-tolerant areas contain many plants with extensive root systems. Since most of the heat from a fire is carried upward, little damage occurs to roots that are well-protected by soil. The above-ground portions of plants that are not consumed by fire may be killed by the heat or remain unscathed in patchy burns or relatively cool ground-fires. In either case, a fire quickly converts leaf and branch litter and other undecayed organic matter which a burn into ash. Nutrients in the ash are absorbed by plant roots and fertilize the vigorous new growth that usually follows a fire. As a result, an area that is repeatedly burned will eventually become dominated by fire-tolerant vegetation.

How quickly will plants recover?

During a growing season burn, regrowth usually occurs a few days after the burn. With the removal of the thatch of litter that insulates the ground, the blackened soil surface will absorb heat and warm up more rapidly than unburned areas nearby. Within days, many plants begin to send out new growth. By early summer the vegetation is often taller and more lush than it would have been without burning due to the extra fertilization. Fire stimulates flowering and fruiting of many species of grasses, sedges, and herbs. These seeds and fruits provide important food for many species of wildlife including Bachman's sparrow, black bear, fox squirrel, and bobwhite quail.

What happens to animals in a fire?

Birds and larger animals (such as rabbits and deer) can easily outdistance the flames and find cover in adjacent unburned areas. Smaller animals like mice, voles, and shrews seek shelter in underground burrows, where they can avoid the heat. Controlled burns are timed to avoid periods when young animals are likely to be vulnerable. The healthy, lush vegetation that grows after a fire often attracts more animals to browse. Since the understory is kept more open with the use of fire, red-cockaded woodpeckers' cavity nests are kept more secure from snakes and gray squirrels.

What other benefits are there from prescribed burning?

In addition to reversing the succession of woody plants, the overall diversity of plants and animals can be increased through burning. Unlike mowing, which has a uniform impact throughout an area, the variability within a burn can generate diverse conditions under which many species can thrive and reproduce. Wildlife habitat and forage are improved by burning as nutrients are cycled back into the soil. Burning also reduces diseases that may occur in trees. Longleaf pines are susceptible to fungal diseases and cone beetles that can be significantly reduced through controlled burns.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

- ☐ Committee Substitute for
H.B. 1120 A BILL TO BE ENTITLED AN ACT TO ALLOW PRESCRIBED BURNING
IN FORESTS BY FOREST LANDOWNERS UNDER CERTAIN CONDITIONS.
- ☐ With a favorable report.
- ☒ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐☐☐ Judiciary I.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE

APRIL 22, 1997

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

DAVID JARMAN

FOREST RESOURCES

Dianne Harris

Forest Resources

Tha 1 to 1m

Nature Conservancy

Peter Daniel

N C D A

Paul & Ben

N.C. Agribusiness

June 1944

UNC Gen Admin - NC State Ag Prog.

John Cymer

N.C. State Orange

MINUTES
HOUSE AGRICULTURE COMMITTEE

APRIL 22, 1997 P.M. MEETING

The House Committee on Agriculture met on the floor of the House Chamber immediately after session (3:40 p.m.) on Tuesday, April 22, 1997 in order to hear House Bill #999. The following members were present: Chairman Brown, Rogers, Reynolds, Kiser, McCrary, Buchanan, Hill Watson, Owens, Fox and Baker.

Representative Rogers explained House Bill #999 entitled: **AN ACT TO CLARIFY THE AUTHORITY OF THE SOIL AND WATER CONSERVATION COMMISSION TO CONDUCT INSPECTIONS**. He stated that this bill amends part of Article 7 of Chapter 143 B of the General Statutes establishing the Soil and Water Commission.

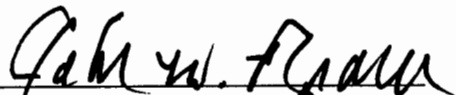
Specifically, the bill amends the powers and duties of the Commission, G.S. 143B-294 to provide the Commission authority to conduct inspections reasonably necessary to carry out it's duties. The bill also adds two new subdivision to G.S. 143B-294 to provide that the Commission may enter at reasonable times on any property to determine compliance with its programs or the programs of the Department of Environment, Health, and Natural Resources. Refusal to allow an authorized representative of the Commission entry is a Class 1 misdemeanor and is punishable by imprisonment not to exceed 90 days or by a fine not to exceed \$5,000.

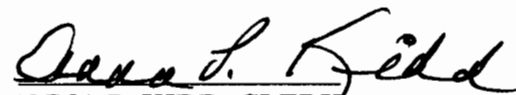
The act is effective when it becomes law except that the misdemeanor provisions become effective December 1, 1997 and apply to offenses committed on or after that date. At this time, Representative Dewey Hill offered an amendment for a typographical error.

Several questions were taken from members. Dewey C. Botts, Director of the Soil and Water Conservation with the Department of Environment, Health, and Natural Resources was present to answer members' questions. At this time, Representative Buchanan moved that the bill be given a favorable report, as amended, and recommendation that the bill be referred to the Committee on Judiciary II.

The bill was given a favorable report as amended and referred to Judiciary II.

The meeting was adjourned at 3:55 p.m.


JOHN W. BROWN, CHAIRMAN


ANNA P. KIDD, CLERK

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H.B. FILED

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H

HOUSE PRINCIPAL CLERK ^D

HOUSE DRH6199-LD192(4.10)

Short Title: Soil and Water Commission/Inspections.

(Public)

Sponsors: Representative Rogers.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE AUTHORITY OF THE SOIL AND WATER
3 CONSERVATION COMMISSION TO CONDUCT INSPECTIONS.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 143B-294 reads as rewritten:

6 "§ 143B-294. Soil and Water Conservation Commission -- creation; powers and ~~duties.~~
7 duties; compliance inspections.

8 (a) There is hereby created the Soil and Water Conservation Commission of the
9 Department of Environment, Health, and Natural Resources with the power and duty
10 to adopt rules to be followed in the development and implementation of a soil and
11 water conservation program.

12 (1) The Soil and Water Conservation Commission has all of the
13 following powers and duties:

- 14 a. To approve petitions for soil conservation ~~districts;~~ districts.
15 b. To approve application for watershed ~~plans; and plans.~~
16 c. Such other duties as specified in Chapter 139.
17 d. To conduct any inspections consistent with subsection (b) of
18 this section for inspections it deems reasonably necessary to
19 carry out its duties.

20 (2) The Commission shall adopt rules consistent with the provisions of
21 this Chapter. All rules not inconsistent with the provisions of this
22 Chapter heretofore adopted by the Soil and Water Conservation
23 Committee shall remain in full force and effect unless and until
24 repealed or superseded by action of the Soil and Water
25 Conservation Commission. All rules adopted by the Commission

1 shall be enforced by the Department of Environment, Health, and
2 Natural Resources.

3 (b) Inspections authorized by subsection (1)d. of this section may be conducted
4 by authorized representatives of the Commission. When conducting inspections, the
5 Commission may enter at reasonable times upon any property, public or private, for
6 the purpose of investigating compliance with Commission or Department programs.

7 (c) No person shall refuse entry or access to a person who requests entry for the
8 purposes of an inspection under this section and who presents appropriate
9 credentials. Any person who refuses entry or access to a person conducting an
10 inspection or obstructs, hampers, or interferes with any such person while that person
11 is in the process of carrying out official duties shall, notwithstanding G.S. 115A-
12 1340.23, be guilty of a Class 1 misdemeanor punishable by imprisonment not to
13 exceed 90 days, or by a fine not to exceed five thousand dollars (\$5,000), or both."

14 Section 2. This act is effective when it becomes law, except G.S. 143B-
15 294(c), as enacted by Section 1 of this act, becomes effective December 1, 1997, and
16 applies to offenses committed on or after that date.



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 999

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

H999-arf-01

Date _____, 1997

Comm. Sub. ☐
Amends Title ☐

1 moves to amend the bill on page 2, lines 12 and 13,
2 by deleting the citation "G.S. 115A-1340.23" and substituting the
3 citation "G.S. 15A-1340.23".
4

SIGNED *Wayne Hiepp*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **John W. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 999 A BILL TO BE ENTITLED AN ACT TO CLARIFY THE AUTHORITY OF
THE SOIL AND WATER CONSERVATION COMMISSION TO CONDUCT
INSPECTIONS.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☒ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on Judiciary II.

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, APRIL 29, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

The following bills will be considered (Bill # & Short Title):

H.B. #1015 - CROP ALLOTMENT TAX APPRAISAL.

H.B. #1037 - SALE OF CERTAIN EXOTIC MEATS.

H.B. #1043 - FARM ENVIRONMENTAL COMPLIANCE FUND.

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
1:00 P.M. on THURSDAY APRIL 24, 1997, 1997.

____Principal Clerk
____Reading Clerk - House Chamber

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. FRANK MITCHELL

OFFICE: ROOM 638

DATE: THURSDAY, APRIL 24, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, APRIL 29, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #1043 - FARM ENVIRONMENTAL COMPLIANCE FUND.

We would like to have you attend this meeting.

Representatives JOHN W. BROWN
Co-Chairs

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. CAROLYN B. RUSSELL

OFFICE: ROOM 2207

DATE: THURSDAY, APRIL 24, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, APRIL 29, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #1015 - CROP ALLOTMENT TAX APPRAISAL.

We would like to have you attend this meeting.

Representatives JOHN W. BROWN
Co-Chairs

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. GENE ARNOLD

OFFICE: ROOM 535

DATE: WEDNESDAY, APRIL 23, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, APRIL 29, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #1037 - SALE OF CERTAIN EXOTIC MEATS.

We would like to have you attend this meeting.

Representatives JOHN W. BROWN
Co-Chairs

ANNA KIDD (Committee Clerk)

Anna Kidd (Rep. J.Brown)

From: Anna Kidd (Rep. J.Brown)
Sent: Tuesday, April 29, 1997 9:27 AM
To: @House/Agriculture/Clls; Barbara Riley; Clyde Cook; Legislative Press; Linda Johnson
Subject: ROOM CHANGE FOR AGRICULTURE COMMITTEE MEETING

SPECIAL NOTICE

**PLEASE NOTE.....THERE HAS BEEN A ROOM CHANGE FOR THE
AGRICULTURE MEETING THIS MORNING:**

WE WILL BE USING ROOM 415

**THE ANNOUNCEMENT WAS MADE ON THE FLOOR OF THE HOUSE LAST
NIGHT. THANKS FOR YOUR UNDERSTANDING.**

AGENDA

HOUSE AGRICULTURE COMMITTEE

TUESDAY, APRIL 29, 1997

ROOM 1425

10:00 A.M.

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

**H.B. #1015 - CROP ALLOTMENT TAX APPRAISAL.
SPONSOR REP. CAROLYN RUSSELL**

**H.B. #1037 - SALE OF CERTAIN EXOTIC MEATS.
SPONSOR REP. GENE ARNOLD**

**H.B. #1043 - FARM ENVIRONMENTAL COMPLIANCE
FUND.
SPONSOR REP. FRANK MITCHELL**

ANNOUNCEMENTS

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

APRIL 29, 1997

The House Committee on Agriculture met in Room 415 of the Legislative Office Building on Tuesday, April 29, 1997 at 10:00 a.m. Chairman Brown presided at the meeting with twenty one House Members present, three House Members absent, and two House Members excused.

Chairman Brown introduced the page serving the Committee and welcomed guests.

At this time, Representative Brown introduced Rep. Frank Mitchell sponsor of House Bill #357 entitled: **AN ACT TO CLARIFY THE REQUIREMENTS IMPOSED BY GENERAL PERMITS FOR CERTAIN ANIMAL OPERATIONS**. Representative Mitchell stated that this bill hopes to try and eliminate some of the rules that farmers cannot live with (Attachments I and II).

Representative Carpenter sent forward an amendment. It was moved that the amendment be adopted. Much discussion followed.

Representative Buchanan moved for a favorable report as amended. Motion was carried.

Chairman Brown next introduced Representative Gene Arnold sponsor of House Bill #1037 entitled: **AN ACT TO AUTHORIZE THE TRANSPORTATION AND RESALE OF THE EDIBLE PARTS OF BEAR AND DEER TAKEN IN ANOTHER STATE**. He stated that this bill amends G.S. 113-201.3, Possession, Sale, and Transportation of Wildlife, to add a new subdivision (b)(8) that would allow edible bear and deer meat to be transported into the State and sold for human consumption when the meat has passed inspection in the other State or by the USDA.

The act is effective when it becomes law.

Representative Carpenter stated that he was contacted by numerous constituents and several groups who are against this bill. He strongly felt that this was a bad bill. He offered an amendment to this bill.

Representative Brown recognized Mr. Robert Hazel and Mr. Thomas Stark, Co-Chairs of the North Carolina Sportsman Alliance Association, who spoke in opposition of the bill. They stated that this bill was a threat to the wildlife in the State of North Carolina. This would cause an increase in poaching of wildlife in particular large animals. Several questions followed.

At this time, Representative Brown recognized Mr. Charles R. Fullwood, Executive Director of the Wildlife Resources Commission who stated that the bear is the wildest creature in the State of North Carolina. He doesn't believe a bear should be bought or sold. He also didn't see any way to market bear or deer. Several more questions followed.

Representative Carpenter sent forward his amendment and moved that the amendment be adopted. A motion for a favorable report as amended was made and carried.

Lastly, Chairman Brown introduced Representative Frank Mitchell to speak on House Bill 1043 entitled: **AN ACT TO ESTABLISH THE FARM ENVIRONMENTAL COMPLIANCE REVOLVING LOAN FUND TO PROVIDE ASSISTANCE TO FARMERS TO ACHIEVE ENVIRONMENTAL COMPLIANCE.** Representative Mitchell stated that House Bill 1043, introduced by Representative Brown, would create a new Article 2 in Chapter 122D of the General Statutes and establish a nonreverting Farm Environmental Compliance Revolving Loan Fund.

The Agricultural Finance Authority shall administer the fund and shall adopt rules and guidelines for loans from the Fund. Farms must have been in existence prior to January 1, 1994 to qualify for funding. No loan shall exceed \$50,000 and loans shall not be made to an individual who is able to obtain credit elsewhere on reasonable terms.

\$3,000,000 is appropriated from the General Fund to the Farm Environmental Compliance Revolving Loan Fund for fiscal year 1997-1998. The act is effective July 1, 1997.

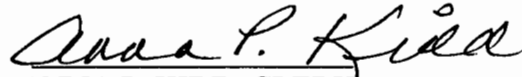
Several questions were taken from the floor.

Representative Culp moved for a favorable report and recommendation that the bill be referred to the Committee on Appropriations.

Representative Brown reminded members of the Agriculture Committee Breakfast at the Farmer's Market scheduled for Wednesday, April 30, 1997 at 7:00 a.m. The Breakfast is being sponsored by the North Carolina Department of Agriculture.

The meeting adjourned at 10:45 a.m.


JOHN W. BROWN, CHAIRMAN


ANNA P. KIDD, CLERK

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 357

Short Title: General Animal Waste Permits.

(Public)

Sponsors: Representatives Mitchell; Baker, Brown, Culp, Kiser, McCombs, Nichols, and Weatherly.

Referred to: Environment.

February 27, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE REQUIREMENTS IMPOSED BY GENERAL
3 PERMITS FOR CERTAIN ANIMAL OPERATIONS.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 143-215.10C is amended by adding a new subsection to
6 read:

7 "(a1) The general permits for animal operations shall not require any of the
8 following:

- 9 (1) That application of animal waste onto land used to grow crops for
10 direct human consumption be prohibited within any specified time
11 period prior to or during the planting of the crop, during the
12 growing season, or, in the case of fruit trees, prior to breaking
13 dormancy.
- 14 (2) That application of animal waste onto land used to grow fiber or
15 food crops for direct human consumption that undergo further
16 processing be prohibited within any specified time period prior to
17 the harvesting of the crop.
- 18 (3) That animal waste be incorporated into the soil within any
19 specified time period after it is applied onto bare soil.
- 20 (4) That waste application and handling equipment be maintained on
21 site, when it is provided by the owner or operator.

- 1 (5) That inspection of a waste collection, treatment, storage, or
2 transmission structure be performed more frequently than annually,
3 when the structure is under the control of the owner or operator.
4 (6) That records be maintained of maintenance and repairs of a waste
5 collection, treatment, storage, or transmission structure, when the
6 structure is under the control of the owner or operator.
7 (7) That repairs of a waste treatment, storage, or transmission structure
8 be approved by a technical specialist."

9 Section 2. This act is effective when it becomes law.

**NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT COMMISSION
DEPARTMENT OF ENVIRONMENT, HEALTH AND NATURAL RESOURCES
CATTLE WASTE OPERATION GENERAL PERMIT**

This permit shall be effective from the date of issuance until December 31, 2001. Holders of Certificates of Coverage under this permit shall comply with the following specified conditions and limitations:

I. PERFORMANCE STANDARDS

1. The animal waste collection, treatment, storage and transmission system permitted under this permit shall be effectively maintained and operated as a non-discharge system to prevent the discharge of pollutants to surface waters, wetlands, or ditches. Facilities which are in compliance with their Certified Animal Waste Management Plan (CAWMP) and this permit, which unintentionally discharge as a result of a storm event greater than the 25 year, 24 hour storm, will not be considered to be in violation of this permit.
2. The CAWMP is hereby incorporated by reference into this general permit. New or expanding farms are required to be certified prior to the stocking of animals. The CAWMP must be consistent with all applicable statutes, rules and standards in effect at the time of siting, design and certification of the facility. Any violation of the CAWMP shall be considered a violation of this general permit and subject to enforcement actions. Such a violation may require the Permittee to cease applying animal waste to the site and to take any immediate and long term corrective actions as may be required by the Division of Water Quality (DWQ).
3. This facility may not be expanded unless the CAWMP is first modified and recertified by a technical specialist to reflect this expansion. Additional animals may not be stocked until all applicable parts of the CAWMP have been recertified. A copy of the complete modified CAWMP and the new certification must be submitted to the local Soil and Water Conservation District Office and to the Division of Water Quality.
4. A copy of this Certificate of Coverage (COC), General Permit, certification forms, lessee and landowner agreements and the CAWMP shall be maintained at the farm (stored at places such as the farm residence, office, outbuildings, etc.) where animal waste management activities are being conducted for the life of this permit. These documents shall be kept in good condition and records shall be maintained in an orderly fashion.
5. For all new and expanding operations, no collection or storage facilities may be constructed which could be inundated by a 100 year flood. In addition to protection from inundation, the facility shall be designed in order to minimize potential harm to or within the floodplain.

II. OPERATION AND MAINTENANCE REQUIREMENTS

1. The collection, treatment, and storage facilities, and land application equipment and sites shall be properly maintained and operated at all times.
2. A suitable vegetative cover shall be maintained on all land application sites and buffers in accordance with the CAWMP. No waste may be applied upon fields not approved by or prepared in accordance with the CAWMP.

- ✓ 3. An acceptable pH of the soil shall be maintained on all land application sites to insure optimum yield for the crop(s) being grown.
4. The Plant Available Nitrogen application rates and hydraulic loading rates, identified in the CAWMP shall not be exceeded.
- X 5. Application of animal waste onto land which is used to grow crops for direct human consumption (e.g., strawberries, melons, lettuce, cabbage, apples, etc.) shall not occur within 30 days prior to or during the planting of the crop or at any time during the growing season, or in the case of fruit bearing trees, 30 days prior to breaking dormancy. Application of animal wastes shall not occur within 30 days of the harvesting of fiber and food crops for direct human consumption that undergo further processing. If waste is to be applied on bare soil, the waste shall be incorporated into the soil within twenty-four (24) hours after application on the land.
6. Domestic wastewater from showers, toilets, etc. shall not be discharged into the animal waste collection, treatment, disposal and transmission system. Wash vats required to be connected to the animal waste collection, treatment, disposal and transmission system management system by the Grade A Pasteurized Milk Ordinance Part II, Section 7, Item 5r are exempt from this requirement. Washdown of stock trailers, owned by and used to transport animals from this farm only, will be permissible as long as system design accommodates the additional flow and as long as only those detergents and disinfectants are utilized which are labeled by the manufacturer as readily biodegradable.
- ✓ 7. Disposal of dead animals shall be done in accordance with the North Carolina Department of Agriculture (NCDA) Veterinary Division's regulations and the CAWMP.
8. Grazing of animals on an application site shall be controlled in accordance with Natural Resources Conservation Service (NRCS) Standards.
9. All uncontaminated stormwater runoff from the surrounding property and buildings shall be diverted away from the animal waste storage ponds or lagoons whenever possible to prevent any unnecessary liquid addition to the structures. Runoff from lounging areas to the waste storage ponds or lagoons shall be prevented unless approved in the CAWMP.
10. A protective vegetative cover shall be established on all disturbed areas (storage ponds, lagoon embankments, berms, pipe runs, emergency spillways, erosion control areas, etc.) Emerging vegetation such as trees, shrubs, and other woody species shall not be allowed to grow on the dikes or sideslopes of the storage ponds or lagoons. Lagoon areas should be kept mowed and accessible.
11. Disposal of the sludge shall be in accordance with the CAWMP. When removal of sludge from the lagoon is necessary, provisions must be taken to prevent damage to lagoon dikes and liners.
- Not Necessary ✓ 12. Solid materials including, but not limited to, bottles, light bulbs, gloves, syringes or any other solid waste from the animal waste operation shall be prevented from entering the treatment/storage lagoon and shall be disposed of properly.
- X 13. The facility must have at all times (a) adequate animal waste application and handling equipment on site, (b) a lease for the use of the necessary equipment, (c) a contract with a third party applicator capable of providing adequate waste application, or (d) a contract for the purchase of the equipment. In all cases, the equipment and any contractor must be capable of land applying the waste on the sites specified in the CAWMP in compliance with both the agronomic and hydraulic loading rates for the sites.

III. MONITORING AND REPORTING REQUIREMENTS

1. Waste collection, treatment, storage and transmission structures (i.e. piping, pumps, reels, etc.), under the control of the owner/operator shall be inspected weekly. Lagoon berms, storage ponds, and structures should be inspected for evidence of erosion, leakage, animal damage or discharge. A written chronological record of maintenance and repairs shall be maintained on the farm and be made readily available during a scheduled inspection of the farm. These records shall also be made available at the request of the Division. All repairs shall be approved by a technical specialist prior to initiation and completed promptly. If a piece of equipment is being replaced with a piece of equipment of the identical specifications, no technical specialist approval is necessary [i.e. piping, reels, valves, pumps (if the GPM capacity is not being increased or decreased), etc.]. Any major structural repairs (to lagoons or waste storage ponds) shall have the approval of a technical specialist.
2. If not already installed at this facility, a level gauge shall be installed within 60 days of issuance of the COC under this general permit to monitor waste levels. This gauge shall have visible permanent markings indicating the levels at which pump-out must begin and freeboard elevations. Where a lagoon is utilized, the gauge shall be installed with readily visible permanent markings indicating the maximum lagoon levels at which pump-out must begin, end of pump-out, and freeboard elevations. Caution must be taken not to damage the integrity of the liner when installing the gauge. Storage pond and waste lagoon levels shall be recorded weekly on forms provided by the DWQ.
3. A representative Standard Soil Fertility Analysis shall be conducted annually on each application site receiving animal waste. The results of these tests shall be maintained on file by the Permittee for a minimum of three years and shall be made available to the DWQ upon request.
4. An analysis of the liquid animal waste from the lagoon shall be conducted initially after issuance of the COC and thereafter as close to the time of each waste application as practical. This test shall be conducted as close to the time of application as practical and at least within 60 days (before or after) of the date of application. This analysis shall include the following parameters:

Nitrogen
Phosphorous
pH

Zinc
Copper

5. Proper records, including maintenance, repair and irrigation records, shall be maintained on site and in chronological and legible form for a minimum of three years by the Permittee. These records shall be maintained on forms provided by the DWQ and shall be readily available for inspection.

6. **Regional Notification:**

The Permittee shall report by telephone to the appropriate Regional Office as soon as possible, but in no case more than 24 hours following first knowledge of the occurrence of any of the following events:

- a. Failure of any component of the animal waste collection, treatment, storage and land application system resulting in a discharge to surface waters.
- b. Any failure of the animal waste treatment and disposal program that renders the facility incapable of adequately receiving, treating or storing the animal waste and/or sludge.

*Farmers Fight Weather
Market prices
Cost of equipment
Neighbors
DWQ*

- c. Spillage or discharge from a vehicle or piping system transporting animal waste or sludge to the application sites which results in, or may result in, a discharge to surface waters.
- d. Any deterioration or leak in a lagoon system or storage pond that poses an immediate threat to the environment.
- e. Failure to maintain adequate storage capacity in a lagoon or storage pond that poses an immediate threat to public health or the environment.
- f. Overspraying animal waste either in excess of the limits set out in the CAWMP or where runoff enters waters of the State.
- g. Any discharge that bypasses a lagoon system or storage pond.

For any emergency which requires immediate reporting after normal business hours, please contact the Division of Emergency Management at 1-800-858-0368.

The permittee shall also file a written report of the occurrence in letter form within 5 days following first knowledge of the occurrence, unless waived by the Regional Office. This report shall outline the actions taken or proposed to be taken to correct the problem and to ensure that the problem does not recur.

IV. INSPECTIONS

Any duly authorized officer, employee, or representative of the DWQ may, upon presentation of credentials and in accordance with reasonable and appropriate biosecurity measures, enter and inspect any property, premises or place on or related to the collection, treatment, storage and land application system at any reasonable time for the purpose of determining compliance with this permit; may inspect and obtain a copy of any records that must be kept under the terms and conditions of this permit; and may obtain samples of the wastewater, groundwater, or surface water.

V. GENERAL CONDITIONS

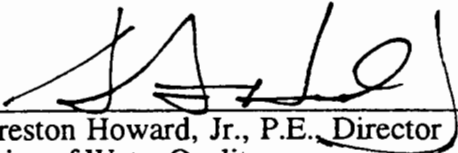
1. The issuance of a COC under this permit shall not relieve the Permittee of the responsibility for damages to surface waters or ground waters resulting from the operation of this program.
2. The Permittee shall designate and employ a certified animal waste management system operator to be in charge (OIC) of the animal waste management system. No animal waste management system shall be operated unless supervised by the OIC.
3. For existing farms, the operating level of lagoons and other uncovered waste containment structures must not exceed the level that provides adequate storage to contain at a minimum a 25 year, 24 hour storm plus any additional storage required in the CAWMP. For new and expanding farms, the operating level of lagoons and other uncovered waste containment structures must not exceed the level that provides adequate storage to contain at a minimum a 25 year, 24 hour storm event, chronic rainfall, plus an additional 1 foot of freeboard. In either case, the maximum waste level shall not exceed that specified in the CAWMP.
4. Upon reasonable cause to believe that any activities conducted pursuant to this permit may cause or contribute any waste, directly or indirectly, to be intermixed with the waters of the State, the DWQ may require any monitoring (including but not limited to groundwater, surface water, sludge, soil and plant tissue) necessary to determine the source, quantity, quality, and effect of such waste upon the waters of the State. Such monitoring, including its scope, frequency, duration and any sampling, testing, and reporting systems, shall meet all applicable Commission requirements. "Reasonable Cause" may be based on the findings of a related Federal, State, Commission or DEHNR authorized study or report, or

on showing that violations of State water quality or other applicable environmental standards have occurred or may occur.

5. Failure to abide by the conditions and limitations contained in this permit, the facility's CAWMP and any COC issued under this permit may subject the Permittee to an enforcement action by the DWQ in accordance with North Carolina General Statutes and may include the requirement to obtain an individual animal waste operation permit, the addition of treatment or storage units, or the addition of land application sites.
6. The issuance of a COC under this permit does not excuse the Permittee from the obligation to comply with all applicable statutes (local, state, and federal).
7. If animal production at the facility is to be suspended or terminated, the owner is responsible for developing, implementing and completing a "closure plan" which will eliminate the possibility of an illegal discharge, pollution and erosion, or the potential for injury and shall include lagoon closure in accordance with NRCS standards in effect when the closure plan is developed and implemented. Closure shall include notifying the DWQ.
8. The annual permit fee shall be paid by the Permittee within thirty (30) days after being billed by the Division. Failure to pay the fee accordingly constitutes grounds for revocation of this COC.
9. Failure of the Permittee to maintain, in full force and effect, lessee and landowner agreements which are required in the CAWMP, shall constitute grounds for revocation of this COC.

Permit issued this the fourteenth day of January, 1997.

NORTH CAROLINA ENVIRONMENTAL MANAGEMENT COMMISSION


A. Preston Howard, Jr., P.E., Director
Division of Water Quality
By Authority of the Environmental Management Commission

Cattle Waste General Permit Number AWG200000

**NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT COMMISSION
DEPARTMENT OF ENVIRONMENT, HEALTH AND NATURAL RESOURCES
SWINE WASTE OPERATION GENERAL PERMIT**

This permit shall be effective from the date of issuance until December 31, 2001. Holders of Certificates of Coverage under this permit shall comply with the following specified conditions and limitations:

I. PERFORMANCE STANDARDS

1. The animal waste collection, treatment, storage and transmission system permitted under this permit shall be effectively maintained and operated as a non-discharge system to prevent the discharge of pollutants to surface waters, wetlands, or ditches. Facilities which are in compliance with their Certified Animal Waste Management Plan (CAWMP) and this permit, which unintentionally discharge as a result of a storm event greater than the 25 year, 24 hour storm, will not be considered to be in violation of this permit.
2. The CAWMP is hereby incorporated by reference into this general permit. New or expanding farms are required to be certified prior to the stocking of animals. The CAWMP must be consistent with all applicable statutes, rules and standards in effect at the time of siting, design and certification of the facility. Any violation of the CAWMP shall be considered a violation of this general permit and subject to enforcement actions. Such a violation may require the Permittee to cease applying animal waste to the site and to take any immediate and long term corrective actions as may be required by the Division of Water Quality (DWQ).
3. This facility may not be expanded unless the CAWMP is first modified and recertified by a technical specialist to reflect this expansion. Additional animals may not be stocked until all applicable parts of the CAWMP have been recertified. A copy of the complete modified CAWMP and the new certification must be submitted to the local Soil and Water Conservation District Office and to the DWQ.
4. A copy of this Certificate of Coverage (COC), General Permit, certification forms, lessee and landowner agreements, and the CAWMP shall be maintained **at the farm** (stored at places such as the farm residence, office, outbuildings, etc.) where animal waste management activities are being conducted for the life of this permit. These documents shall be kept in good condition and records shall be maintained in an orderly fashion.
5. For all new and expanding operations, no collection or storage facilities may be constructed which could be inundated by a 100 year flood. In addition to protection from inundation, the facility shall be designed in order to minimize potential harm to or within the floodplain.

II. OPERATION AND MAINTENANCE REQUIREMENTS

1. The collection, treatment, and storage facilities, and land application equipment and sites shall be properly maintained and operated at all times.
2. A suitable vegetative cover shall be maintained on all land application sites and buffers in accordance with the CAWMP. No waste may be applied upon fields not approved by or prepared in accordance with the CAWMP.

3. An acceptable pH of the soil shall be maintained on all land application sites to insure optimum yield for the crop(s) being grown.
4. The Plant Available Nitrogen application rates and hydraulic loading rates, identified in the CAWMP, shall not be exceeded.
5. Application of animal waste onto land which is used to grow crops for direct human consumption (e.g., strawberries, melons, lettuce, cabbage, apples, etc.) shall not occur within 30 days prior to or during the planting of the crop or at any time during the growing season, or in the case of fruit bearing trees, 30 days prior to breaking dormancy. Application of animal wastes shall not occur within 30 days of the harvesting of fiber and food crops for direct human consumption that undergo further processing. If waste is to be applied on bare soil, the waste shall be incorporated into the soil within twenty-four (24) hours after application on the land.
6. Domestic and/or industrial wastewater from showers, toilets, sinks, etc. shall not be discharged into the animal waste collection, treatment, storage and transmission system. Washdown of stock trailers, owned by and used to transport animals from this farm only, will be permissible as long as system design accommodates the additional flow and as long as only those detergents and disinfectants are utilized which are labeled by the manufacturer as readily biodegradable.
- ? 7. Disposal of dead animals shall be done in accordance with the North Carolina Department of Agriculture (NCDA) Veterinary Division's regulations and the CAWMP.
8. Grazing animals on an application site shall be controlled in accordance with Natural Resources Conservation Service (NRCS) Standards.
9. All uncontaminated stormwater runoff from the surrounding property and buildings shall be diverted away from the animal waste lagoons and storage ponds to prevent any unnecessary addition to the liquid volume in the structures.
10. A protective vegetative cover shall be established on all disturbed areas (lagoon embankments, berms, pipe runs, erosion control areas, etc.) Emerging vegetation such as trees, shrubs, and other woody species shall not be allowed to grow on the lagoon dikes or sideslopes. Lagoon areas should be kept mowed and accessible.
11. Disposal of the sludge shall be in accordance with the CAWMP. When removal of sludge from the lagoon is necessary, provisions must be taken to prevent damage to lagoon dikes and liners.
12. Solid materials including, but not limited to, bottles, light bulbs, gloves, syringes or any other solid waste from the animal waste operation shall be prevented from entering the treatment/storage lagoon and shall be disposed of properly.
13. The facility must have at all times (a) adequate animal waste application and handling equipment on site, (b) a lease for the use of the necessary equipment, (c) a contract with a third party applicator capable of providing adequate waste application, or (d) a contract for the purchase of the equipment. In all cases, the equipment and any contractor must be capable of land applying the waste on the sites specified in the CAWMP in compliance with both the agronomic and hydraulic loading rates for the sites.

Not necessary

IMPOSSIBLE!

III. MONITORING AND REPORTING REQUIREMENTS

1. Waste collection, treatment, storage and transmission structures (i.e. piping, pumps, reels, etc.), under the control of the owner/operator shall be inspected weekly. Lagoon berms, storage ponds, and structures should be inspected for evidence of erosion, leakage, animal damage or discharge. A written chronological record of maintenance and repairs shall be maintained on the farm and be made readily available during a scheduled inspection of the farm. These records shall also be made available at the request of the Division. All repairs shall be approved by a technical specialist prior to initiation and completed promptly. If a piece of equipment is being replaced with a piece of equipment of the identical specifications, no technical specialist approval is necessary [i.e. piping, reels, valves, pumps (if the GPM capacity is not being increased or decreased), etc.]. Any major structural repairs (to lagoons or waste storage ponds) shall have the approval of a technical specialist.
2. If not already installed at this facility, a level gauge shall be installed within 60 days of issuance of the COC under this general permit to monitor waste levels. This gauge shall have readily visible permanent markings indicating the maximum lagoon levels at which pump-out must begin, end of pump-out, and freeboard elevations. Where storage ponds are utilized, only a gauge with visible permanent markings indicating the pump-out begin and freeboard elevations need be installed. Caution must be taken not to damage the integrity of the liner when installing the gauge. Waste lagoon and storage pond levels shall be recorded weekly on forms supplied by the DWQ.
3. A representative Standard Soil Fertility Analysis shall be conducted annually on each application site receiving animal waste. The results of these tests shall be maintained on file by the Permittee for a minimum of three years and shall be made available to the DWQ upon request.
4. An analysis of the liquid animal waste from the lagoon shall be conducted initially after issuance of the COC and thereafter as close to the time of each waste application as practical. This test shall be conducted as close to the time of application as practical and at least within 60 days (before or after) of the date of application. This analysis shall include the following parameters:

Nitrogen	Zinc
Phosphorous	Copper
pH	
5. Proper records, including maintenance, repair and irrigation records, shall be maintained on site and in chronological and legible form for a minimum of three years by the Permittee. These records shall be maintained on forms provided by the DWQ and shall be readily available for inspection.

6. Regional Notification:

The Permittee shall report by telephone to the appropriate Regional Office as soon as possible, but in no case more than 24 hours following first knowledge of the occurrence of any of the following events:

- a. Failure of any component of the animal waste collection, treatment, storage and land application system resulting in a discharge to surface waters.
- b. Any failure of the animal waste treatment and disposal program that renders the facility incapable of adequately receiving, treating or storing the animal waste and/or sludge.
- c. Spillage or discharge from a vehicle or piping system transporting animal waste or sludge to the application sites which results in, or may result in, a discharge to surface waters.
- d. Any deterioration or leak in a lagoon system or storage pond that poses an immediate threat to the environment.
- e. Failure to maintain adequate storage capacity in a lagoon or storage pond that poses an immediate threat to public health or the environment.
- f. Overspraying animal waste either in excess of the limits set out in the CAWMP or where runoff enters waters of the State.
- g. Any discharge that bypasses a lagoon system or storage pond.

For any emergency which requires immediate reporting after normal business hours, please contact the Division of Emergency Management at 1-800-858-0368.

The permittee shall also file a written report of the occurrence in letter form within 5 days following first knowledge of the occurrence, unless waived by the Regional Office. This report shall outline the actions taken or proposed to be taken to correct the problem and to ensure that the problem does not recur.

IV. INSPECTIONS

Any duly authorized officer, employee, or representative of the DWQ may, upon presentation of credentials and in accordance with reasonable and appropriate biosecurity measures, enter and inspect any property, premises or place on or related to the collection, treatment, storage and land application system at any reasonable time for the purpose of determining compliance with this permit; may inspect and obtain a copy of any records that must be kept under the terms and conditions of this permit; and may obtain samples of the wastewater, groundwater, or surface water.

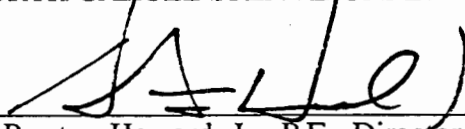
V. GENERAL CONDITIONS

1. The issuance of a COC under this permit shall not relieve the Permittee of the responsibility for damages to surface waters or ground waters resulting from the operation of this program.
2. The Permittee shall designate and employ a certified animal waste management system operator to be in charge (OIC) of the animal waste management system. No animal waste management system shall be operated unless supervised by the OIC.

3. For existing farms, the operating level of lagoons and other uncovered waste containment structures must not exceed the level that provides adequate storage to contain at a minimum a 25 year, 24 hour storm plus any additional storage required in the CAWMP. For new and expanding farms, the operating level of lagoons and other uncovered waste containment structures must not exceed the level that provides adequate storage to contain at a minimum a 25 year, 24 hour storm event, chronic rainfall, plus an additional 1 foot of freeboard. In either case, the maximum waste level shall not exceed that specified in the CAWMP.
4. Upon reasonable cause to believe that any activities conducted pursuant to this permit may cause or contribute any waste, directly or indirectly, to be intermixed with the waters of the State, the DWQ may require any monitoring (including but not limited to groundwater, surface water, sludge, soil and plant tissue) necessary to determine the source, quantity, quality, and effect of such waste upon the waters of the State. Such monitoring, including its scope, frequency, duration and any sampling, testing, and reporting systems, shall meet all applicable Commission requirements. "Reasonable Cause" may be based on the findings of a related Federal, State, Commission or DEHNR authorized study or report, or on showing that violations of State water quality or other applicable environmental standards have occurred or may occur.
5. Failure to abide by the conditions and limitations contained in this permit, the facility's CAWMP and any COC issued under this permit may subject the Permittee to an enforcement action by the DWQ in accordance with North Carolina General Statutes and may include the requirement to obtain an individual animal waste operation permit, the addition of treatment or storage units, or the addition of land application sites.
6. The issuance of a COC under this permit does not excuse the Permittee from the obligation to comply with all applicable statutes, rules, regulations, or ordinances (local, state, and federal).
7. If animal production at the facility is to be suspended or terminated, the owner is responsible for developing, implementing and completing a "closure plan" which will eliminate the possibility of an illegal discharge, pollution, erosion, and the potential for injury and shall be in accordance with NRCS lagoon closure standards in effect when the closure plan is developed and implemented. Closure shall also include notifying the DWQ.
8. The annual permit fee shall be paid by the Permittee within thirty (30) days after being billed by the Division. Failure to pay the fee accordingly constitutes grounds for revocation of this COC.
9. Failure of the Permittee to maintain, in full force and effect, lessee and landowner agreements which are required in the CAWMP, shall constitute grounds for revocation of this COC.

This General Permit issued the fourteenth day of January, 1997.

NORTH CAROLINA ENVIRONMENTAL MANAGEMENT COMMISSION



A. Preston Howard, Jr., P.E., Director

Division of Water Quality

By Authority of the Environmental Management Commission

Swine Waste General Permit Number AWG100000

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 357 A BILL TO BE ENTITLED AN ACT TO CLARIFY THE REQUIREMENTS
IMPOSED BY GENERAL PERMITS FOR CERTAIN ANIMAL OPERATIONS.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☒ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

H. B. No. 357DATE April 29, 1997

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

Rep.)

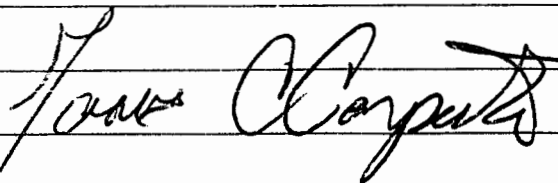
Sen.)

moves to amend the bill on page 2, XXXX 8, line 5by delete the word "storage"

AND

page 2, line 9 by adding (8) streams being fenced to prevent grazing cattle
to have access to drinking water.

SIGNED



ADOPTED _____

FAILED _____

TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1037

Short Title: Sale of Certain Exotic Meats.

(Public)

Sponsors: Representatives Arnold; and Sexton.

Referred to: Agriculture.

April 21, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE TRANSPORTATION AND RESALE OF THE
3 EDIBLE PARTS OF BEAR AND DEER TAKEN IN ANOTHER STATE.
4 The General Assembly of North Carolina enacts:
5 Section 1. G.S. 113-291.3(b) is amended by adding a new subdivision to
6 read:
7 "(8) The sale of the edible parts of bear and deer lawfully taken in
8 another state may be transported into this State and resold as a
9 meat product for human consumption when the edible parts have
10 passed inspection in the other state by that state's inspection
11 agency or the United States Department of Agriculture."
12 Section 2. This act is effective when it becomes law.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 1037 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE
TRANSPORTATION AND RESALE OF THE EDIBLE PARTS OF BEAR, AND DEER
TAKEN IN ANOTHER STATE.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☒ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1043

Short Title: Farm Environmental Compliance Fund.

(Public)

Sponsors: Representatives Brown, Mitchell; Hill, Watson, Sexton, and Davis.

Referred to: Agriculture, if favorable Appropriations.

April 21, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE FARM ENVIRONMENTAL COMPLIANCE
3 REVOLVING LOAN FUND TO PROVIDE ASSISTANCE TO FARMERS TO
4 ACHIEVE ENVIRONMENTAL COMPLIANCE.

5 Whereas, North Carolina dairy farmers and other small farmers have
6 struggled economically in recent years; and

7 Whereas, the number of farms in the State has declined significantly; and

8 Whereas, new and stricter environmental laws and regulations may cause
9 additional farms to close due to the cost of compliance and the lack of available
10 financing; Now, therefore,

11 The General Assembly of North Carolina enacts:

12 Section 1. G.S. 122D-1 through G.S. 122D-23 is codified as Article 1 of
13 Chapter 122D of the General Statutes and entitled "General Agricultural Finance".

14 Section 2. Chapter 122D of the General Statutes is amended by adding a
15 new Article to read:

16 "ARTICLE 2.

17 "Loans for Environmental Compliance by Farmers.

18 "§ 122D-30. Farm Environmental Compliance Revolving Loan Fund.

19 (a) Fund Created. -- The Farm Environmental Compliance Revolving Loan Fund
20 is created as a nonreverting account to be administered by the Agricultural Finance
21 Authority in accordance with this section and any rules adopted by the Agricultural
22 Finance Authority pursuant to this Chapter.

23 (b) Guidelines for Loans. -- The Agricultural Finance Authority shall establish
24 guidelines for loans from this Fund. A farmer shall not be eligible for a loan under

1 this section unless the farm has been in existence since January 1, 1994. Loans may
2 be used only for the purpose of complying with federal, State, or local laws,
3 regulations, or rules relating to animal waste management. No loan shall exceed fifty
4 thousand dollars (\$50,000). Interest rates and other terms shall be comparable to
5 other similar agricultural loans under Article 1 of this Chapter. Loans under this
6 section shall not be made to individuals or other entities who are able to obtain credit
7 elsewhere on reasonable terms."

8 Section 3. There is appropriated from the General Fund to the Farm
9 Environmental Compliance Revolving Loan Fund, as created in G.S. 122D-30, as
10 enacted by Section 2 of this act, the sum of three million dollars (\$3,000,000) for the
11 1997-98 fiscal year to be used in compliance with G.S. 122D-30, as enacted by
12 Section 2 of this act.

13 Section 4. This act becomes effective July 1, 1997.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

- ☐ Committee Substitute for
H.B. 1043 A BILL TO BE ENTITLED AN ACT TO ESTABLISH THE FARM
ENVIRONMENTAL COMPLIANCE REVOLVING LOAN FUND TO PROVIDE
ASSISTANCE TO FARMERS TO ACHIEVE ENVIRONMENTAL COMPLIANCE.
- ☐ With a favorable report.
- ☒ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

PLEASE PRESS HARD - 5 COPIES

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. 1037DATE 4/29/97

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.

Sen.)

Carpenter1 moves to amend the bill on page 1, line 7

2 () WHICH CHANGES THE TITLE

3 by deleting the phrase

4

5 "lawfully taken" and substituting7 the phrase "raised domestically".

8

9 and further amends the bill on

10

11 page 1, line 7 by deleting the phrase

12

13 ~~will~~ ~~be~~ ~~and~~ "bear and"

14

15

16

17

18

SIGNED

James O. Carpenter

ADOPTED _____

FAILED _____

TABLED _____



**HOUSE AGRICULTURE COMMITTEE
BREAKFAST**

**ONCE AGAIN WE HAVE BEEN INVITED FOR
BREAKFAST**

**WEDNESDAY, APRIL 30, 1997
FARMER'S MARKET
7:00 A.M.**

**COMPLIMENTS OF THE NORTH CAROLINA
DEPARTMENT OF AGRICULTURE**

**PLEASE LET ME KNOW IF YOUR MEMBERS PLANS TO
ATTEND!**

VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE

APRIL 29 , 1997

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS[illegible]

MINUTES
HOUSE AGRICULTURE COMMITTEE

APRIL 30, 1997 P.M. MEETING

The House Committee on Agriculture met on the floor of the House Chamber during recess (5:10 p.m.) on Wednesday, April 30, 1997 in order to roll into a committee substitute two bills that were amended at the Tuesday meeting.

The first bill to be discussed was House Bill #357 entitled: **AN ACT TO CLARIFY THE REQUIREMENTS IMPOSED BY GENERAL PERMITS FOR CERTAIN ANIMAL OPERATIONS.** Chairman Brown recognized Representative Howard Hunter who moved to give the bill a favorable report as to committee substitute, unfavorable as to original bill. Motion was carried.

The second bill in question was House Bill #1037 entitled: **AN ACT TO AUTHORIZE THE TRANSPORTATION AND RESALE OF THE EDIBLE PARTS OF BEAR AND DEER TAKEN IN ANOTHER STATE.** Chairman Brown recognized Representative Rex Baker who moved to give the bill a favorable report as to committee substitute, unfavorable as to the original bill. Motion was carried.

The meeting was adjourned at 5:25 p.m.


JOHN W. BROWN, CHAIRMAN

ANNA P. KIDD, CLERK

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 357 A BILL TO BE ENTITLED AN ACT TO CLARIFY THE REQUIREMENTS
IMPOSED BY GENERAL PERMITS FOR CERTAIN ANIMAL OPERATIONS.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to committee substitute bill, unfavorable as to original bill

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 357

Proposed Committee Substitute H357-PCS6254

Short Title: General Animal Waste Permits.

(Public)

Sponsors:

Referred to:

February 27, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE REQUIREMENTS IMPOSED BY GENERAL
3 PERMITS FOR CERTAIN ANIMAL OPERATIONS.
4 The General Assembly of North Carolina enacts:
5 Section 1. G.S. 143-215.10C is amended by adding a new subsection to
6 read:
7 "(a1) The general permits for animal operations shall not require any of the
8 following:
9 (1) That application of animal waste onto land used to grow crops for
10 direct human consumption be prohibited within any specified time
11 period prior to or during the planting of the crop, during the
12 growing season, or, in the case of fruit trees, prior to breaking
13 dormancy.
14 (2) That application of animal waste onto land used to grow fiber or
15 food crops for direct human consumption that undergo further
16 processing be prohibited within any specified time period prior to
17 the harvesting of the crop.
18 (3) That animal waste be incorporated into the soil within any
19 specified time period after it is applied onto bare soil.
20 (4) That waste application and handling equipment be maintained on-
21 site, when it is provided by the owner or operator.

- 1 (5) That inspection of a waste collection, treatment, storage, or
2 transmission structure be performed more frequently than annually,
3 when the structure is under the control of the owner or operator.
4 (6) That records be maintained of maintenance and repairs of a waste
5 collection, treatment, or transmission structure, when the structure
6 is under the control of the owner or operator.
7 (7) That repairs of a waste treatment, storage, or transmission structure
8 be approved by a technical specialist.
9 (8) That streams be fenced to prevent grazing cattle from accessing
10 drinking water."

11 Section 2. This act is effective when it becomes law.

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

- ☐ Committee Substitute for
H.B. 1037 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE
TRANSPORTATION AND RESALE OF THE EDIBLE PARTS OF BEAR AND DEER
TAKEN IN ANOTHER STATE.
- ☐ With a favorable report.
- ☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐
- ☒ With a favorable report as to committee substitute bill, which changes the title, unfavorable
as to original bill.
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 1037

Proposed Committee Substitute H1037-PCS6255

Short Title: Sale of Certain Exotic Meats.

(Public)

Sponsors:

Referred to:

April 21, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE TRANSPORTATION AND RESALE OF THE
3 EDIBLE PARTS OF DEER RAISED DOMESTICALLY IN ANOTHER STATE.
4 The General Assembly of North Carolina enacts:
5 Section 1. G.S. 113-291.3(b) is amended by adding a new subdivision to
6 read:
7 "(8) The sale of the edible parts of deer raised domestically in another
8 state may be transported into this State and resold as a meat
9 product for human consumption when the edible parts have passed
10 inspection in the other state by that state's inspection agency or the
11 United States Department of Agriculture."
12 Section 2. This act is effective when it becomes law.

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. EDWIN HARDY

OFFICE: ROOM 417A

DATE: THURSDAY, APRIL 30, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MAY 6, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #980 - CROP ALLOTMENT TAX APPRAISAL

We would like to have you attend this meeting.

Representatives JOHN W. BROWN
Co-Chairs

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. BILLY CREECH

OFFICE: ROOM 635

DATE: THURSDAY, MAY 1, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MAY 6, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #1092 - REDUCE FARM/INDUSTRY FUEL TAX

We would like to have you attend this meeting.

Representatives JOHN W. BROWN
Co-Chairs

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: SENATOR JESSE LEDBETTER

OFFICE: ROOM 520

DATE: THURSDAY, MAY 1, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MAY 6, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

S.B. #266 PRODUCTION AND SALE OF RED DEER.

We would like to have you attend this meeting.

Representative JOHN W. BROWN
Chairman

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: **TUESDAY, MAY 6, 1997**

TIME: **10:00 A.M.**

LOCATION: **ROOM 1425**

The following bills will be considered (Bill # & Short Title):

H.B. 980 CROP ALLOTMENT TAX APPRAISAL

H.B. 1092 REDUCE FARM/INDUSTRY FUEL TAX

S.B. 266 PRODUCTION AND SALE OF RED DEER

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
10:00 A.M. on THURSDAY, MAY 1, 1997.

____Principal Clerk
____Reading Clerk - House Chamber

ANNA KIDD (Committee Clerk)

AGENDA

HOUSE AGRICULTURE COMMITTEE

TUESDAY, MAY 6, 1997

ROOM 1425

10:00 A.M.

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

**H.B. #980 - CROP ALLOTMENT TAX APPRAISAL
SPONSOR REP. EDWIN HARDY**

**H.B. #1092 - REDUCE FARM/INDUSTRY FUEL
TAX
SPONSOR REP. BILLY CREECH**

**S.B. #266 - PRODUCTION AND SALE OF RED
DEER
SPONSOR SEN. JESSE LEDBETTER**

ANNOUNCEMENTS

ADJOURNMENT

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

MAY 6, 1997

The House Committee on Agriculture met on Tuesday, May 6, 1997 at 10:00 a.m. in Room 1425 of the Legislative Building. Chairman John W. Brown presided with nineteen House Members present, and seven House Members absent.

Representative Brown welcomed guests and introduced the pages serving the Committee. At this time, Chairman Brown introduced Senator Ledbetter to explain Senate Bill #266.

Senator Lebetter explained that S.B. #266 entitled: **AN ACT TO AUTHORIZE THE PRODUCTION AND SALE OF RED DEER**, amends Article 49H which governs the production and sale of fallow deer, to include red deer. Red deer are a small European species that are raised commercially in other parts of the world. In North Carolina, it would be considered an exotic species. The act directs the Department of Agriculture to regulate the production and sale of red deer for food purposes and the Wildlife Resources Commission to regulate the possession and transportation of live red deer. (Attachment I).

He went on to explain that the bill also amends the wildlife statutes to exclude red deer raised for production from the definition of big game and game animals. It further amends the Meat Inspection and packing laws to provided for the inspection of red deer. The Commission may establish a fee at an hourly rate to be paid by the owner or operator of the processing facility for the inspection of red deer to defray the expenses of the Department.

The Senate Committee Substitute clarifies the changes to G.S. 106-549.97(b) to ensure that the WRC rules are directed at the protection of the native deer population and its habitat and makes the definitions of red deer and fallow deer parallel.

The act is effective when it becomes law.

Several questions were taken from the floor. At this time, Representative Baker moved that the bill be given a favorable report. The bill was voted upon and given a favorable report.

Chairman Brown next introduced Representative Creech sponsor of House Bill #1092. Representative Creech explained that H.B. #1092 entitled: **AN ACT TO PHASE DOWN THE SALES TAX ON ELECTRICITY AND PIPED NATURAL GAS USED IN FARMING AND MANUFACTURING** amends G.S. 105-164.4, setting out the retail sales tax, and provides for a phase down in the sales tax rate for electricity and piped natural gas for industry and agriculture.

The current sales tax rate on electricity and piped natural gas for farms and industry is 2.83%. The 2.83% rate is a phase down enacted by the General Assembly 1996 from the 3% rate imposed by G.S. 164.4-(a)(4a). House Bill #1092 would phase the 2.83% rate down over a six year period until it reached 1%. Sections 2 and 3 make conforming amendments to affected sections of the General Statutes.

Sections 2 and 3 of the act become effective July 1, 2002. The remaining provisions of the act become effective July 1, 1997.

Representative Creech offered an amendment. Representative Buchanan moved that the amendment be adopted. The attached amendment attached was adopted. Several questions were taken from the floor.

At this time, Representative Mercer moved for a favorable report as to committee substitute bill, unfavorable as to original bill, and recommended the committee substitute bill be re-referred to the Committee on Finance. Motion was carried.

Next, Chairman Brown introduced Representative Hardy to speak on House Bill #980 entitled: **AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX PURPOSES.** Representative Hardy stated that this amends the property tax laws to provide that the value of crop allotments (primarily peanuts and tobacco) may not be considered in appraising land for tax purposes. Land to which such an allotment is attached is classified as a special class of property under Section 2(2) of Article V of the North Carolina Constitution.

Section 2 amends G.S. 105-289(s)(5), which sets forth the duty of the Department of Revenue to prepare an assessor's manual for valuing expected net income from agricultural land, by deleting the requirement that the manual contain recommended adjustments to the net income per acre for growing crops subject to allotments.

The act is effective for taxable years beginning on or after July 1, 1998.

Numerous questions were taken from the members. Several speakers spoke from the floor. After extensive discussion, it was the chair's discision to reschedule the bill for the following meeting. Representative Baker requested that staff be involved in getting all the answers needed by the members in order to make the proper discussions.

The meeting adjourned at 10:45 p.m.


JOHN W. BROWN, CHAIRMAN


ANNA P. KIDD, CLERK

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

- ☐ Committee Substitute for
S.B. 266 A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE
PRODUCTION AND SALE OF RED DEER.
- ☐ With a favorable report.
- ☒ With a favorable report and recommendation that the bill be re-referred to the Committee on
☒ Finance
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached. *
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

2

SENATE BILL 266
Finance Committee Substitute Adopted 4/10/97

Short Title: Production and Sale of Red Deer.

(Public)

Sponsors:

Referred to:

February 27, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE PRODUCTION AND SALE OF RED DEER.
3 The General Assembly of North Carolina enacts:
4 Section 1. Article 49H of Chapter 106 of the General Statutes reads as
5 rewritten:
6 "ARTICLE 49H.
7 "Production and Sale of Fallow ~~Deer~~ Deer and Red Deer.
8 "§ 106-549.97. Regulation of fallow deer and red deer by Department of Agriculture;
9 certain authority of North Carolina Wildlife Resources Commission not ~~affected~~.
10 affected; definitions.
11 (a) The Department of Agriculture shall regulate the production and sale of
12 fallow deer and red deer for food purposes. The Board of Agriculture shall adopt
13 rules for the production and sale of fallow deer and red deer for food purposes in
14 such a manner as to provide for close supervision of any person, firm, or corporation
15 producing and selling fallow deer or red deer, or both, for food purposes.
16 ~~As used in this section, 'fallow deer' (Dama dama spp.) means a small European~~
17 ~~deer raised commercially for production and sale for food purposes.~~
18 (b) The North Carolina Wildlife Resources Commission shall regulate the
19 possession and transportation of live fallow deer and live red deer and may adopt
20 rules to prevent the release or escape of fallow deer or red deer, or both, upon
21 finding that it is necessary to protect live fallow deer or live red deer, or both, or to
22 prevent damage to the native deer population or its habitat.
23 (c) The following definitions apply in this Article:

(1) Fallow deer. -- A member of the Dama dama species.

(2) Red deer. -- A member of the Cervus elephus species.

"§ 106-549.98. Inspection fees.

The Commissioner may establish a fee at an hourly rate to be paid by the owner, proprietor, or operator of each slaughtering, meat-canning, salting, packing, rendering, or similar establishment for the purpose of defraying the expenses incurred in the inspection of fallow deer as required by Article 49B of Chapter 106 of the General Statutes. The Commissioner may establish a fee at an hourly rate to be paid by the owner, proprietor, or operator of each slaughtering, meat-canning, salting, packing, rendering, or similar establishment for the purpose of defraying the expenses incurred in the inspection of red deer as required by Article 49B of Chapter 106 of the General Statutes."

Section 2. G.S. 113-129(1b) reads as rewritten:

"(1b) Big Game. -- Bear, wild boar, wild turkey, and deer, not to include fallow deer or red deer raised for production and sale under G.S. 106-549.97."

Section 3. G.S. 113-129(7c) reads as rewritten:

"(7c) Game Animals. -- Bear, fox, rabbit, squirrel, wild boar, and deer, not to include fallow deer or red deer raised for production and sale under G.S. 106-549.97; bobcat, opossum, and raccoon except when trapped in accordance with provisions relating to fur-bearing animals."

Section 4. G.S. 106-549.15(14) reads as rewritten:

"(14) 'Meat food product' means any product capable of use as human food that is made wholly or in part from any meat or other portion of the carcass of any cattle, sheep, swine, goats, bison, ~~or~~ fallow deer, or red deer, excepting products that contain meat or other portions of such carcasses only in a relatively small proportion or historically have not been considered by consumers as products of the meat food industry, and that are exempted from definition as a meat food product by the Board under such conditions as it may prescribe to assure that the meat or other portions of such carcasses contained in such product are not adulterated and that such products are not represented as meat food products. This term as applied to food products of equines shall have a meaning comparable to that provided in this subdivision with respect to cattle, sheep, swine, goats, and bison."

Section 5. G.S. 106-549.15(22) reads as rewritten:

"(22) 'Renderer' means any person, firm, or corporation engaged in the business of rendering carcasses, or parts or products of the carcasses, of cattle, sheep, swine, goats, fallow deer, red deer, horses, mules, or other equines, except rendering conducted under inspection under this Article."

Section 6. G.S. 106-549.17 reads as rewritten:

1 "§ 106-549.17. Inspection of animals before slaughter; humane methods of
2 slaughtering.

3 (a) For the purpose of preventing the use in intrastate commerce, as hereinafter
4 provided, of meat and meat food products which are adulterated, the Commissioner
5 shall cause to be made, by inspectors appointed for that purpose, an examination and
6 inspection of all cattle, sheep, swine, goats, fallow deer, red deer, bison, horses,
7 mules, and other equines before they shall be allowed to enter into any slaughtering,
8 packing, meat-canning, rendering, or similar establishment in this State in which
9 slaughtering and preparation of meat and meat food products of such animals are
10 conducted for intrastate commerce; and all cattle, sheep, swine, goats, fallow deer,
11 red deer, bison, horses, mules, and other equines found on such inspection to show
12 symptoms of disease shall be set apart and slaughtered separately from all other
13 cattle, sheep, swine, goats, fallow deer, red deer, bison, horses, mules, or other
14 equines, and when so slaughtered, the carcasses of said cattle, sheep, swine, goats,
15 fallow deer, red deer, bison, horses, mules, or other equines shall be subject to a
16 careful examination and inspection, all as provided by the rules and regulations to be
17 prescribed by the Board as herein provided for.

18 (b) For the purpose of preventing the inhumane slaughtering of livestock, the
19 Commissioner shall cause to be made, by inspectors appointed for that purpose, an
20 examination and inspection of the method by which cattle, sheep, swine, goats, fallow
21 deer, red deer, bison, horses, mules, and other equines are slaughtered and handled
22 in connection with slaughter in the slaughtering establishments inspected under this
23 law. The Commissioner may refuse to provide inspection to a new slaughtering
24 establishment or may cause inspection to be temporarily suspended at a slaughtering
25 establishment if the Commissioner finds that any cattle, sheep, swine, goats, fallow
26 deer, red deer, bison, horses, mules, or other equines have been slaughtered or
27 handled in connection with slaughter at such establishment by any method not in
28 accordance with subsection (c) of this section until the establishment furnishes
29 assurances satisfactory to the Commissioner that all slaughtering and handling in
30 connection with slaughter of livestock shall be in accordance with such a method.

31 (c) Either of the following two methods of slaughtering of livestock and handling
32 of livestock in connection with slaughter are found to be humane:

- 33 (1) In the case of cattle, calves, fallow deer, red deer, bison, horses,
34 mules, sheep, swine, and other livestock, all animals are rendered
35 insensible to pain by a single blow or gunshot or an electrical,
36 chemical, or other means that is rapid and effective, before being
37 shackled, hoisted, thrown, cast, or cut; or
38 (2) By slaughtering in accordance with the ritual requirements of the
39 Jewish faith or any other religious faith that prescribes a method of
40 slaughter whereby the animal suffers loss of consciousness by
41 anemia of the brain caused by the simultaneous and instantaneous
42 severance of the carotid arteries with a sharp instrument and
43 handling in connection with such slaughtering."

44 Section 7. G.S. 106-549.18 reads as rewritten:

1 **"§ 106-549.18. Inspection; stamping carcass.**

2 For the purposes hereinbefore set forth the Commissioner shall cause to be made
3 by inspectors appointed for that purpose, as hereinafter provided, a post mortem
4 examination and inspection of the carcasses and parts thereof of all cattle, sheep,
5 swine, goats, fallow deer, red deer, bison, horses, mules, and other equines, capable of
6 use as human food, to be prepared at any slaughtering, meat-canning, salting,
7 packing, rendering, or similar establishment in this State in which such articles are
8 prepared for intrastate commerce; and the carcasses and parts thereof of all such
9 animals found to be not adulterated shall be marked, stamped, tagged, or labeled, as
10 'Inspected and Passed'; and said inspectors shall label, mark, stamp, or tag as
11 'Inspected and Condemned,' all carcasses and parts thereof of animals found to be
12 adulterated; and all carcasses and parts thereof thus inspected and condemned shall
13 be destroyed for food purposes by the said establishment in the presence of an
14 inspector, and the Commissioner or his authorized representative may remove
15 inspectors from any such establishment which fails to so destroy any such condemned
16 carcass or part thereof, and said inspectors, after said first inspection shall, when they
17 deem it necessary, reinspect said carcasses or parts thereof to determine whether
18 since the first inspection the same have become adulterated and if any carcass or any
19 part thereof shall, upon examination and inspection subsequent to the first
20 examination and inspection, be found to be adulterated, it shall be destroyed for food
21 purposes by the said establishment in the presence of an inspector, and the
22 Commissioner or his authorized representative may remove inspectors from any
23 establishment which fails to ~~do~~ so destroy any such condemned carcass or part
24 thereof."

25 Section 8. G.S. 106-549.19 reads as rewritten:

26 **"§ 106-549.19. Application of Article; place of inspection.**

27 The foregoing provisions shall apply to all carcasses or parts of carcasses of cattle,
28 sheep, swine, goats, fallow deer, red deer, bison, horses, mules, and other equines or
29 the meat or meat products thereof, capable of use as human food, which may be
30 brought into any slaughtering, meat-canning, salting, packing, rendering, or similar
31 establishment, where inspection under this Article is maintained, and such
32 examination and inspection shall be had before the said carcasses or parts thereof
33 shall be allowed to enter into any department wherein the same are to be treated and
34 prepared for meat food products; and the foregoing provisions shall also apply to all
35 such products which, after having been issued from any such slaughtering, meat-
36 canning, salting, packing, rendering, or similar establishment, shall be returned to the
37 same or to any similar establishment where such inspection is maintained. The
38 Commissioner or his authorized representative may limit the entry of carcasses, part
39 of carcasses, meat and meat food products, and other materials into any establishment
40 at which inspection under this Article is maintained, under such conditions as he may
41 prescribe to assure that allowing the entry of such articles into such inspected
42 establishments will be consistent with the purposes of this and the subsequent
43 Article."

44 Section 9. G.S. 106-549.22 reads as rewritten:

1 **"§ 106-549.22. Rules and regulations of Board.**

2 The Commissioner or his authorized representative shall cause to be made, by
3 experts in sanitation, or by other competent inspectors, such inspection of all
4 slaughtering, meat-canning, salting, packing, rendering, or similar establishments in
5 which cattle, sheep, swine, goats, fallow deer, red deer, bison, horses, mules, and
6 other equines are slaughtered and the meat and meat food products thereof are
7 prepared for intrastate commerce as may be necessary to inform himself concerning
8 the sanitary conditions of the same, and the Board shall prescribe the rules and
9 regulations of sanitation under which such establishments shall be maintained; and
10 where the sanitary conditions of any such establishment are such that the meat or
11 meat food products are rendered adulterated, the Commissioner or his authorized
12 representative shall refuse to allow said meat or meat food products to be labeled,
13 marked, stamped, or tagged as 'North Carolina Department of Agriculture Inspected
14 and Passed.'"

15 Section 10. G.S. 106-549.23 reads as rewritten:

16 **"§ 106-549.23. Prohibited slaughter, sale and transportation.**

17 No person, firm, or corporation shall, with respect to any cattle, sheep, swine,
18 goats, fallow deer, red deer, bison, horses, mules, or other equines, or any carcasses,
19 parts of carcasses, meat or meat food products of any such animals:

- 20 (1) Slaughter any of these animals or prepare any of these articles
21 which are capable of use as human food, at any establishment
22 preparing any such articles for intrastate commerce except in
23 compliance with the requirements of this and the subsequent
24 Article;
- 25 (2) Slaughter, or handle in connection with slaughter, any such
26 animals in any manner not in accordance with G.S. 106-549.17(c)
27 of this Article;
- 28 (3) Sell, transport, offer for sale or transportation, or receive for
29 transportation, in intrastate commerce:
 - 30 a. Any of these articles which (i) are capable of use as human
31 food and (ii) are adulterated or misbranded at the time of
32 sale, transportation, offer for sale or transportation, or
33 receipt for transportation; or
 - 34 b. Any articles required to be inspected under this Article
35 unless they have been so inspected and passed; or
- 36 (4) Do, with respect to any of these articles which are capable of use
37 as human food, any act while they are being transported in
38 intrastate commerce or held for sale after such transportation,
39 which is intended to cause or has the effect of causing the articles
40 to be adulterated or misbranded."

41 Section 11. G.S. 106-549.25 reads as rewritten:

42 **"§ 106-549.25. Slaughter, sale and transportation of equine carcasses.**

43 No person, firm, or corporation shall sell, transport, offer for sale or transportation,
44 or receive for transportation, in intrastate commerce, any carcasses of horses, mules,

1 or other equines or parts of such carcasses, or the meat or meat food products
2 thereof, unless they are plainly and conspicuously marked or labeled or otherwise
3 identified as required by regulations prescribed by the Board to show the kinds of
4 animals from which they were derived. When required by the Commissioner or his
5 authorized representative, with respect to establishments at which inspection is
6 maintained under this Article, such animals and their carcasses, parts thereof, meat
7 and meat food products shall be prepared in establishments separate from those in
8 which cattle, sheep, swine, fallow deer, red deer, bison, or goats are slaughtered or
9 their carcasses, parts thereof, meats or meat food products are prepared."

10 Section 12. G.S. 106-549.26 reads as rewritten:

11 "**§ 106-549.26. Inspection of establishment; bribery of or malfeasance of inspector.**

12 The Commissioner or his authorized representative shall appoint from time to time
13 inspectors to make examination and inspection of all cattle, sheep, swine, goats,
14 fallow deer, red deer, bison, horses, mules, and other equines the inspection of which
15 is hereby provided for, and of all carcasses and parts thereof, and of all meats and
16 meat food products thereof, and of the sanitary conditions of all establishments in
17 which such meat and meat food products hereinbefore described are prepared; and
18 said inspectors shall refuse to stamp, mark, tag or label any carcass or any part
19 thereof, or meat food product therefrom, prepared in any establishment hereinbefore
20 mentioned, until the same shall have actually been inspected and found to be not
21 adulterated; and shall perform such other duties as are provided by this and the
22 subsequent Article and by the rules and regulations to be prescribed by said Board
23 and said Board shall, from time to time, make such rules and regulations as are
24 necessary for the efficient execution of the provisions of this and the subsequent
25 Article, and all inspections and examinations made under this Article shall be such
26 and made in such manner as described in the rules and regulations prescribed by said
27 Board not inconsistent with the provisions of this Article and as directed by the
28 Commissioner or his authorized representative. Any person, firm, or corporation, or
29 any agent or employee of any person, firm, or corporation, who shall give, pay, or
30 offer, directly or indirectly, to any inspector, or any other officer or employee of this
31 State authorized to perform any of the duties prescribed by this and the subsequent
32 Article or by the rules and regulations of the Board or by the Commissioner or his
33 authorized representative any money or other thing of value, with intent to influence
34 said inspector, or other officer or employee of this State in the discharge of any duty
35 herein provided for, shall be deemed guilty of a Class I felony which may include a
36 fine not less than five hundred dollars (\$500.00) nor more than ten thousand dollars
37 (\$10,000); and any inspector, or other officer or employee of this State authorized to
38 perform any of the duties prescribed by this Article who shall accept any money, gift,
39 or other thing of value from any person, firm, or corporation, or officers, agents, or
40 employees thereof, given with intent to influence his official action, or who shall
41 receive or accept from any person, firm, or corporation engaged in intrastate
42 commerce any gift, money, or other thing of value given with any purpose or intent
43 whatsoever, shall be deemed guilty of a Class I felony and shall, upon conviction

1 thereof, be summarily discharged from office and may be punished by a fine not less
2 than five hundred dollars (\$500.00) nor more than ten thousand dollars (\$10,000)."

3 Section 13. G.S. 106-549.27(a) reads as rewritten:

4 "(a) The provisions of this Article requiring inspection of the slaughter of animals
5 and the preparation of the carcasses, parts thereof, meat and meat food products at
6 establishments conducting such operations shall not

7 (1) Apply to the slaughtering by any person of animals of his own
8 raising, and the preparation by him and transportation in intrastate
9 commerce of the carcasses, parts thereof, meat and meat food
10 products of such animals exclusively for use by him and members
11 of his household and his nonpaying guests and employees; nor

12 (2) To the custom slaughter by any person, firm, or corporation of
13 cattle, sheep, swine, fallow deer, red deer, bison, or goats delivered
14 by the owner thereof for such slaughter, and the preparation by
15 such slaughterer and transportation in intrastate commerce of the
16 carcasses, parts thereof, meat and meat food products of such
17 animals, exclusively for use, in the household of such owner, by
18 him, and members of his household and his nonpaying guests and
19 employees: Provided, that all carcasses, parts thereof, meat and
20 meat food products derived from custom slaughter shall be
21 identified as required by the Commissioner, during all phases of
22 slaughtering, chilling, cooling, freezing, packing, meat canning,
23 rendering, preparation, storage and transportation; provided
24 further, that the custom slaughterer does not engage in the business
25 of buying or selling any carcasses, parts thereof, meat or meat food
26 products of any cattle, sheep, swine, goats, fallow deer, red deer,
27 bison, or equines, capable of use as human food, unless the
28 carcasses, parts thereof, meat or meat food products have been
29 inspected and passed and are identified as having been inspected
30 and passed by the Commissioner or the United States Department
31 of Agriculture."

32 Section 14. G.S. 106-549.28 reads as rewritten:

33 "§ 106-549.28. Regulation of storage of meat.

34 The Board may by regulations prescribe conditions under which carcasses, parts of
35 carcasses, meat, and meat food products of cattle, sheep, swine, goats, fallow deer, red
36 deer, bison, horses, mules, or other equines, capable of use as human food, shall be
37 stored or otherwise handled by any person, firm, or corporation engaged in the
38 business of buying, selling, freezing, storing, or transporting, in or for intrastate
39 commerce, such articles, whenever the Board deems such action necessary to assure
40 that such articles will not be adulterated or misbranded when delivered to the
41 consumer. Willful violation of any such regulation is a Class 2 misdemeanor."

42 Section 15. This act is effective when it becomes law.



AGRICULTURAL ALTERNATIVES

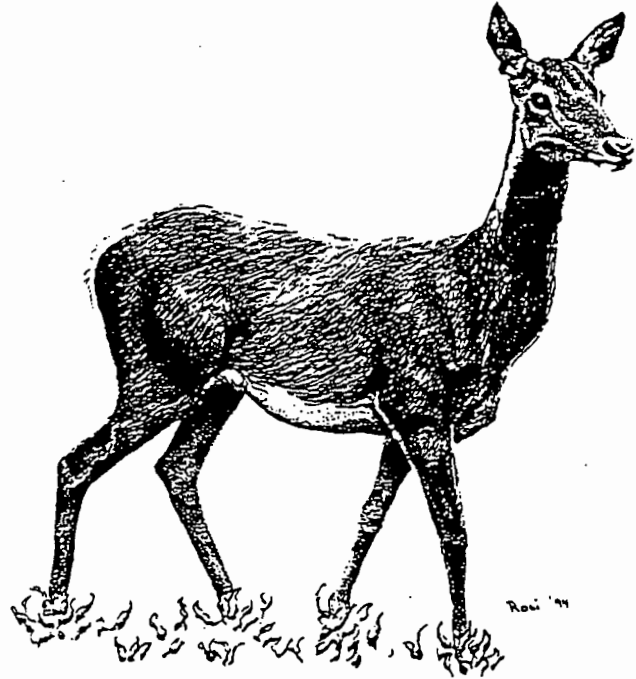
Red Deer Production

Although commercial deer farming is a relatively new business, it generates more than \$100 million in annual income for major deer-producing countries, such as New Zealand, Ireland, Great Britain, and Germany. Americans consumed about 1.2 million pounds of commercially produced venison in 1992, and this market has grown 25 to 30 percent annually. Twenty-five percent of this venison is raised domestically, and the balance is imported primarily from New Zealand.

U.S. deer production is growing steadily due to increasing demand for deer products, minimal acreage requirements for production, and adaptability of deer to marginal pastures. More than 200,000 red, fallow, axis, sika, elk, and white-tailed deer are raised in national parks and on game preserves, farms, and ranches. Pennsylvania has about 30 commercial deer operations.

Compared to other livestock enterprises, deer farming has several advantages. Because deer convert pasture efficiently into protein, with proper management they can be raised on marginal land. They also fit well into an existing grazing operation. Another advantage is the high ratio of lean meat produced per pound of live weight. The labor requirements for deer production are minimal, while the profit potential can be much greater than for a comparable beef cow-calf operation.

This publication was developed by the Small-scale and Part-time Farming Project at Penn State with support from the U.S. Department of Agriculture-Extension Service.



Almost 25,000 red deer are produced annually on U.S. and Canadian farms. The advantages of raising this breed include the following:

- Red deer have a high fertility rate and a long productive breed life.
- They calve easily and wean their calves early.
- Their calm disposition and compact body size make them easy to handle and transport.
- They tolerate cold winters and hot summers and have low susceptibility to disease.
- They yield high-quality meat, by-products, and velvet antler.

Marketing

Before establishing a deer operation, you should research local demand and identify possible markets for your products. Producers can market directly or through a distributor. Individual producers can promote their products through county fairs, mail-order businesses, state and national deer associations, agricultural publications, and media outlets.

Although they are known throughout the world for their velvet production, red deer are raised mainly for venison and breeding stock. Farm-raised venison is a fine-grained, mild, tender meat with a delicate flavor that is distinctly different from wild game venison. It also meets the American Heart Association's guidelines per serving for fat, cholesterol, and calories (Table 1). While venison is sold mostly to gourmet restaurants, the meat also is sold to the general public through specialty shops or mail-order businesses, and at special events such as food fairs.

Table 1. Calories, cholesterol, fat, and protein content of various types of meat (3-ounce cooked portions).

	CALORIES	CHOLESTEROL (MG)	FAT (MG)	PROTEIN (MG)
Venison loin	139	62	5	22
Beef brisket	223	77	13	24
Ground beef	213	84	12	25
Pork shoulder	207	82	13	22
Beef bottom round	189	81	8	27
Lamb loin	183	80	8	25
Veal cutlet	155	112	4	28
Chicken breast	140	72	3	26
Salmon	140	60	5	22

SOURCE: USDA research; venison analysis by The National Food Laboratory, Inc.

Yearlings are slaughtered between 14 and 20 months of age at a weight of about 200 pounds. Two-year-olds are slaughtered at 24 to 30 months of age at a weight of 240 to 300 pounds. The meat is sold as various cuts, in quarters, and as whole carcasses. Some large producers have their own on-site USDA slaughtering facilities. For smaller operations without on-site facilities, USDA has a voluntary inspection program that for a fee offers live inspection on the farm and a postmortem inspection at a USDA-inspected slaughtering facility.

Red deer produce a large amount of good-quality velvet. The velvet antler is removed in early summer, when it has reached about 55 percent full growth and weighs 2 to 10 pounds. Velvet antler is used to produce traditional Asian medicines and tonics. The market for velvet antler often is unstable and currently is dominated by countries producing large amounts of red deer and elk.

Breeder markets are another specialized outlet for red deer producers. Weaners, yearlings, and older breeders can be sold directly to other producers or at auctions. When selling breeding stock, you need to have accurate performance and health records readily available. Many customers are looking for stags (males) with high weight gains and high velvet yields and for hinds (females) with high weight gains and good fertility. A calm temperament also is important as the animals are not completely domesticated.

Deer by-products, including hides, tails, leg sinews, antler buttons, and ivories (eye teeth), all have special markets. Stags can be sold as trophy animals to game and hunting preserves.

Facilities and Equipment

Deer farming requires special facilities, including grazing land, a fresh water supply, and natural shelter for calving, such as trees, shrubs, or fallen branches. Red deer also enjoy having an open water supply for wallowing. The stocking rate for red deer generally is six adults plus nursing calves per acre of pasture. Grazing areas should be fenced with 17 strands of wire at least 75 inches tall. A high-tensile woven deer wire is recommended. To keep calves and predators from getting under fences, add either a strand of barbed wire at ground level or an electrified wire just above ground level. Provide some form of shelter (such as a stand of trees or a three-sided shed) to protect the deer from wind, freezing rain, and the hot summer sun.

You also will need a handling facility with chutes, gates, squeezes, and stalls. A trailer with solid walls and all light sources covered is required for transporting deer. A gutted horse trailer often works well. Before building new facilities or purchasing handling equipment, you should visit other operations to determine what you will need.

Breeding

Red deer hinds are able to reproduce at approximately 16 months of age. Hinds weighing at least 175 pounds have the best chance for a successful pregnancy. Stags reach reproductive maturity at 24 to 30 months of age, and their productivity starts to decline at about 8 years of age. Although a stag's breeding rate depends on his age, one stag typically breeds 40 hinds.

Two types of breeding programs can be used. With single-sire mating, one stag is grouped with a number of hinds. This method is used to improve genetic characteristics and keep more accurate breeding records. When using single-sire mating, you should change stags after two estrus cycles (estrus cycles are 18 days apart) to ensure pregnancy. With multisire mating, several stags are grouped with a number of hinds. This method requires fewer paddocks, but it increases stag aggression and puts younger stags at a

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 1092 A BILL TO BE ENTITLED AN ACT TO PHASE DOWN THE SALES TAX
ON ELECTRICITY AND PIPED NATURAL GAS USED IN FARMING AND
MANUFACTURING.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to committee substitute bill, unfavorable as to original bill, and
recommendation that the committee substitute bill be re-referred to the Committee on
Finance.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

FOR JOURNAL USE ONLY

- ____ Pursuant to Rule 36(a), the bill is placed on the Calendar of _____.
- ____ The (committee substitute) bill/resolution (, as amended,) is (ordered engrossed and) re-referred to the Committee on _____.
- ____ The (committee substitute) bill/resolution (, as amended,) is placed on the Consent Calendar of _____. The original bill/resolution is placed on the Unfavorable Calendar.
- ____ The bill/resolution is re-referred to the Committee on _____.
- ____ On motion of (Rep. _____,) (the Chair,) the (committee substitute) bill/resolution is (ordered engrossed and) re-referred to the Committee on _____.
- ____ Pursuant to Rule 36(a), the (House)committee substitute bill (No. ____)/resolution is placed on the Calendar of _____. (The original bill) (House Committee Substitute Bill No. ____)/resolution is placed on the Unfavorable Calendar.
- ____ On motion of Rep. _____, (the rules are suspended) (Rule ____ is suspended) and the bill/resolution is placed on today's calendar. (for immediate consideration.)
- ____ On motion of Rep. _____, Committee Amendment No.(s) _____ is/are adopted (by EV _____).
- ____ On motion of Rep. _____, Committee Amendment No.(s) _____ is/are adopted (by EV _____).
- ____ Rep. _____ offers Amendment No. _____ which (is adopted.) (fails of adoption.) (by EV _____.) () This amendment changes the title.
- ____ The bill/resolution (, as amended,) passes its second reading (by following vote, _____ RC) (, by EV _____,) and (remains on the Calendar,) (and there being no objection is read a third time).
- ____ The bill/resolution (, as amended,) passes its third reading (by the following vote, _____ RC) (, by EV _____,) and is ordered
____ sent to the Senate.
____ without engrossment. _____ by Special message.
____ sent to the Senate for concurrence in
____ House amendment (s).
____ House committee substitute.
____ enrolled.
- ____ On motion of Rep. _____, the House concurs in the (material) Senate _____ (by the following vote, _____ RC) (, by EV _____,) and the bill is ordered enrolled.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 1092*
Proposed Committee Substitute H1092-PCS6262

Short Title: Reduce Farm/Industry Fuel Tax.

(Public)

Sponsors:

Referred to:

April 21, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO PHASE DOWN THE SALES TAX ON ELECTRICITY AND PIPED
3 NATURAL GAS USED IN FARMING AND MANUFACTURING.
4 The General Assembly of North Carolina enacts:
5 Section 1. G.S. 105-164.4(a)(1f) reads as rewritten:
6 "(1f) The ~~rate of two and eighty-three hundredths percent (2.83%)~~
7 applicable rate provided in the table below applies to the sales
8 price of electricity and piped natural gas described in this
9 subdivision and measured by a separate meter or another device:
10

<u>Effective Date</u>	<u>Rate</u>
<u>October 1, 1997</u>	<u>2.67%</u>
<u>July 1, 1998</u>	<u>2.34%</u>
<u>July 1, 1999</u>	<u>2%</u>
<u>July 1, 2000</u>	<u>1.67%</u>
<u>July 1, 2001</u>	<u>1.34%</u>
<u>July 1, 2002</u>	<u>1%</u>

17 a. Sales of electricity and piped natural gas to farmers to be
18 used by them for any farm purposes other than preparing
19 food, heating dwellings, and other household purposes.
20 The quantity of electricity or gas purchased or used at any
21 one time shall not be a determinative factor as to whether
22 its sale or use is or is not subject to the rate of tax provided
23 in this subdivision.

b. Sales of electricity and piped natural gas to manufacturing industries and manufacturing plants for use in connection with the operation of the industries and plants other than sales of electricity and gas to be used for residential heating purposes. The quantity of electricity or gas purchased or used at any one time shall not be a determinative factor as to whether its sale or use is or is not subject to the rate of tax provided in this subdivision.

c. Sales of electricity and piped natural gas to commercial laundries or to pressing and dry-cleaning establishments for use in machinery used in the direct performance of the laundering or the pressing and cleaning service."

Section 2. Effective July 1, 2002, G.S. 105-164.4(a)(1c) reads as rewritten:

"(1c) The rate of one percent (1%) applies to the sales price of the following articles:

a. Horses or mules by whomsoever sold.

b. Semen to be used in the artificial insemination of animals.

c. Sales of ~~fuel, other than electricity or piped natural gas,~~ fuel and electricity to farmers to be used by them for any farm purposes other than preparing food, heating dwellings and other household purposes. The quantity of fuel or electricity purchased or used at any one time shall not ~~in any manner~~ be a determinative factor as to whether ~~any its~~ sale or use ~~of fuel~~ is or is not subject to the one percent (1%) rate of tax ~~imposed herein.~~ provided in this subdivision.

d. Sales of ~~fuel, other than electricity or piped natural gas,~~ fuel and electricity to manufacturing industries and manufacturing plants for use in connection with the operation of ~~such~~ these industries and plants other than sales of ~~fuels~~ fuel or electricity to be used for residential heating purposes. The quantity of fuel or electricity purchased or used at any one time shall not ~~in any manner~~ be a determinative factor as to whether ~~any its~~ sale or use ~~of fuel~~ is or is not subject to the rate of tax provided in this subdivision.

e. Sales of ~~fuel, other than electricity or piped natural gas,~~ fuel and electricity to commercial laundries or to pressing and dry-cleaning establishments for use in machinery used in the direct performance of the laundering or the pressing and cleaning service.

f. Sales to freezer locker plants of wrapping paper, cartons and supplies consumed directly in the operation of such plant."

1 Section 3. Effective July 1, 2002, G.S. 105-164.4(a)(1f) is repealed.

2 Section 4. This act does not affect the rights or liabilities of the State, a
3 taxpayer, or another person arising under a statute amended or repealed by this act
4 before the effective date of its amendment or repeal; nor does it affect the right to
5 any refund or credit of a tax that accrued under the amended or repealed statute
6 before the effective date of its amendment or repeal.

7 Section 5. Sections 2 and 3 of this act become effective July 1, 2002, for
8 cycle billing dates occurring on or after that date. The remainder of this act becomes
9 effective October 1, 1997, for cycle billing dates occurring on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1092*

Short Title: Reduce Farm/Industry Fuel Tax.

(Public)

Sponsors: Representatives Creech; Alexander, Allred, Arnold, Berry, Bowie, Buchanan, Cansler, Capps, Church, Clary, Cole, Crawford, Davis, Dedmon, Eddins, Fox, Hall, Hightower, Hill, Ives, Kiser, McMahan, Mercer, Mitchell, Moore, Nichols, Russell, Sexton, Smith, Starnes, Tolson, Warwick, and Wilkins.

Referred to: Agriculture, if favorable, Finance.

April 21, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO PHASE DOWN THE SALES TAX ON ELECTRICITY AND PIPED
3 NATURAL GAS USED IN FARMING AND MANUFACTURING.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 105-164.4(a)(1f) reads as rewritten:

6 "(1f) The ~~rate of two and eighty-three hundredths percent (2.83%)~~
7 applicable rate provided in the table below applies to the sales
8 price of electricity and piped natural gas described in this
9 subdivision and measured by a separate meter or another device:

<u>Effective Date</u>	<u>Rate</u>
10 <u>August 1, 1996</u>	<u>2.83%</u>
11 <u>July 1, 1997</u>	<u>2.67%</u>
12 <u>July 1, 1998</u>	<u>2.34%</u>
13 <u>July 1, 1999</u>	<u>2%</u>
14 <u>July 1, 2000</u>	<u>1.67%</u>
15 <u>July 1, 2001</u>	<u>1.34%</u>
16 <u>July 1, 2002</u>	<u>1%</u>

17
18 a. Sales of electricity and piped natural gas to farmers to be
19 used by them for any farm purposes other than preparing
20 food, heating dwellings, and other household purposes.
21 The quantity of electricity or gas purchased or used at any

one time shall not be a determinative factor as to whether its sale or use is or is not subject to the rate of tax provided in this subdivision.

- b. Sales of electricity and piped natural gas to manufacturing industries and manufacturing plants for use in connection with the operation of the industries and plants other than sales of electricity and gas to be used for residential heating purposes. The quantity of electricity or gas purchased or used at any one time shall not be a determinative factor as to whether its sale or use is or is not subject to the rate of tax provided in this subdivision.
- c. Sales of electricity and piped natural gas to commercial laundries or to pressing and dry-cleaning establishments for use in machinery used in the direct performance of the laundering or the pressing and cleaning service."

Section 2. Effective July 1, 2002, G.S. 105-164.4(a)(1c) reads as rewritten:

"(1c) The rate of one percent (1%) applies to the sales price of the following articles:

- a. Horses or mules by whomsoever sold.
- b. Semen to be used in the artificial insemination of animals.
- c. Sales of ~~fuel, other than electricity or piped natural gas,~~ fuel and electricity to farmers to be used by them for any farm purposes other than preparing food, heating dwellings and other household purposes. The quantity of fuel or electricity purchased or used at any one time shall not ~~in any manner~~ be a determinative factor as to whether ~~any~~ its sale or use ~~of fuel~~ is or is not subject to the one percent (1%) rate of tax ~~imposed herein.~~ provided in this subdivision.
- d. Sales of ~~fuel, other than electricity or piped natural gas,~~ fuel and electricity to manufacturing industries and manufacturing plants for use in connection with the operation of ~~such~~ these industries and plants other than sales of ~~fuels~~ fuel or electricity to be used for residential heating purposes. The quantity of fuel or electricity purchased or used at any one time shall not ~~in any manner~~ be a determinative factor as to whether ~~any~~ its sale or use ~~of fuel~~ is or is not subject to the rate of tax provided in this subdivision.
- e. Sales of ~~fuel, other than electricity or piped natural gas,~~ fuel and electricity to commercial laundries or to pressing and dry-cleaning establishments for use in machinery used in the direct performance of the laundering or the pressing and cleaning service.

1 f. Sales to freezer locker plants of wrapping paper, cartons
2 and supplies consumed directly in the operation of such
3 plant."

4 Section 3. Effective July 1, 2002, G.S. 105-164.4(a)(1f) is repealed.

5 Section 4. This act does not affect the rights or liabilities of the State, a
6 taxpayer, or another person arising under a statute amended or repealed by this act
7 before the effective date of its amendment or repeal; nor does it affect the right to
8 any refund or credit of a tax that accrued under the amended or repealed statute
9 before the effective date of its amendment or repeal.

10 Section 5. Sections 2 and 3 of this act become effective July 1, 2002, and
11 apply to sales made on or after that date. The remainder of this act becomes
12 effective July 1, 1997, and applies to sales made on or after that date.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

H. B. No. 1092

DATE

S. B. No.

Amendment No.

(to be filled in by
Principal Clerk)

Rep.)

)

Sen.)

moves to amend the bill on page 1, line 11

by deleting that line;

and on Page 1, Line 12 by changing the effective date to

October 1, 1997;

and on Page 3, Lines 10-12 by changing those lines to read:

Section 5. Sections 2 and 3 of this act become effective

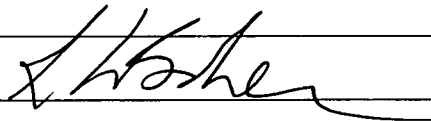
July 1, 2002, for cycle billing dates occurring on or after

that date. The remainder of this act becomes effective

October 1, 1997, for cycle billing dates occurring on or

after that date.

SIGNED



ADOPTED

FAILED

TABLED

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 980

Short Title: Crop Allotment Tax Appraisal.

(Public)

Sponsors: Representatives Hardy, Baker, Daughtry; Aldridge, Arnold, Berry, Brown, Cansler, Capps, Clary, Creech, Davis, Decker, Eddins, Hall, Hiatt, Hill, McComas, Miner, Mitchell, Morris, Nichols, Russell, Sherrill, Starnes, and G. Wilson.

Referred to: Agriculture, if favorable, Finance.

April 17, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE
3 CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX
4 PURPOSES.
5 The General Assembly of North Carolina enacts:
6 Section 1. G.S. 105-277.01 reads as rewritten:
7 "**§ 105-277.01. Certain farm products and land with crop allotments classified for**
8 **taxation at reduced valuation.**
9 (a) **Farm products ~~(including~~ products, including crops but excluding poultry and**
10 **other ~~livestock~~ livestock, held by or for a cooperative stabilization or marketing**
11 **association or corporation to which they have been delivered, conveyed, or assigned**
12 **by the original producer for the purpose of sale are hereby designated a special class**
13 **of property under authority of ~~Article V, Sec. 2(2)~~, Section 2(2) of Article V of the**
14 **North Carolina Constitution. Before being assessed for taxation the appraised**
15 **valuation of farm products so classified shall be reduced by the amount of any unpaid**
16 **loan or advance made or granted thereon by the United States government, an**
17 **agency of the United States government, or a cooperative stabilization or marketing**
18 **association or corporation.**
19 (b) **Land on which there are acreage or poundage allotments for farm**
20 **commodities is designated a special class of property under authority of Section 2(2)**

1 of Article V of the North Carolina Constitution. The value of these allotments shall
2 not be considered in appraising land classified under this subsection."

3 Section 2. G.S. 105-289(a)(5) reads as rewritten:

4 "(5) To prepare and distribute annually to each assessor a manual that
5 establishes five expected net income per acre ranges for
6 agricultural land, horticultural land, and forestland, and establishes
7 a method for appraising nonproductive land as a percentage of the
8 lowest use-value established for productive land. The high and
9 low net income amount in each range may differ by no more than
10 fifteen dollars (\$15.00). The basis for establishing each range shall
11 be soil productivity.

12 For agricultural land, the expected net income per acre ranges
13 shall be based on the actual yields and prices of corn and soybeans
14 over a period of at least the five previous years, and the actual
15 fixed and variable costs, including an imputed management cost,
16 incurred in growing corn and soybeans over the same period of
17 time. ~~The manual shall contain recommended adjustments to the~~
18 ~~net income per acre ranges for the growing of crops subject to~~
19 ~~acreage or poundage allotments.~~

20 Expected net income per acre ranges shall be similarly
21 established for horticultural land and forestland, using typical
22 horticultural or forest products in various growing regions of the
23 State instead of corn and soybeans."

24 Section 3. This act is effective for taxes imposed for taxable years
25 beginning on or after July 1, 1998.

VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE

MAY 6

, 1997

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Sarah Lee Haskins
Gene Upchurch
John McAlistar

Charlotte Chamber of Commerce
CPFL

W. J. Clinton

Little Rock Ark.

Garrett H. Gleditsch

Cumberland County

John C. Davis
Kenneth D. Rogers

Dept. of Res.

John W. Edmondson

Chatham County

Deborah Lamm

Wilson County

George Hong
Julia Underwood

Commerce / Energy

David Meredith

DDR

David Simmer

DDR

N. C. State Grange

20A, PA

AGENDA

HOUSE AGRICULTURE COMMITTEE

TUESDAY, MAY 13, 1997

ROOM 1425

10:00 A.M.

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

**H.B. #980 - CROP ALLOTMENT TAX APPRAISAL
SPONSOR REP. EDWIN HARDY**

**H.B. #998 - SOUTHERN DAIRY COMPACT
SPONSOR REP. FRANK MITCHELL**

**H.B. #1193 - AGRICULTURAL FAIRS
COMMITTEE/FUNDS
SPONSOR REP. JOHN BROWN**

ANNOUNCEMENTS

ADJOURNMENT

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. EDWIN HARDY

OFFICE: ROOM 417A

DATE: THURSDAY, MAY 8, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MAY 13, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #980 - CROP ALLOTMENT TAX APPRAISAL

We would like to have you attend this meeting.

Representative JOHN W. BROWN
Chairman

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MAY 13, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

The following bills will be considered (Bill # & Short Title):

H.B. #980 - CROP ALLOTMENT TAX APPRAISAL

H.B. #998 - SOUTHERN DAIRY COMPACT

H.B. #1193 - AGRICULTURAL FAIRS COMMITTEE/FUNDS

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
10:00 A.M. on THURSDAY MAY 8, 1997.

____Principal Clerk
____Reading Clerk - House Chamber

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. FRANK MITCHELL

OFFICE: ROOM 638

DATE: THURSDAY, MAY 8, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MAY 13, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #998 - SOUTHERN DAIRY COMPACT

We would like to have you attend this meeting.

Representative JOHN W. BROWN
Chairman

ANNA KIDD (Committee Clerk)

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

MAY 13, 1997

The House Committee on Agriculture met on Tuesday, May 13, 1997 at 10:00 a.m. in Room 1425 of the Legislative Building. Chairman John W. Brown presided with twenty one House Members present and five House Members absent.

Representative Brown welcomed guests and introduced the pages serving the Committee. At this time, Chairman Brown introduced Representative Frank Mitchell to explain House bill #998 entitled: **AN ACT TO ENACT INTO LAW THE SOUTHERN DAIRY COMPACT, TO DIRECT THE APPOINTMENT OF MEMBERS FROM NORTH CAROLINA TO THE SOUTHERN DAIRY COMPACT COMMISSION, AND TO APPROPRIATE FUNDS.** Representative Frank Mitchell stated that he was gathering further information on the bill and requested it be pulled off the calendar.

Representative Hardy sponsor for House Bill #980 entitled: **AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX PURPOSES** was introduced next. Since Representative Hardy was not present, the bill was pulled from the calendar.

Chairman Brown next introduced Representative Mitchell to speak on House Bill #1193. Representative Mitchell explained that House Bill #1193 entitled: **AN ACT TO CREATE AN AGRICULTURAL FAIRS ADVISORY COMMITTEE IN THE DEPARTMENT OF AGRICULTURE AND TO APPROPRIATE FUNDS FOR LOCAL** was introduced by Representative Brown. This bill creates the North Carolina Agricultural Fair Committee. The Committee would consist of 5 members including the President of the North Carolina Association of Agricultural Fairs and 4 county fair managers appointed by the Commissioner of Agriculture.

The bill also gives the Commissioner the authority, with the advice of the Committee and subject to available funds, to make grants to qualified fairs. These grants may be for premium awards, establishing new facilities, improving existing facilities, and, in an amount not to exceed \$1,000, for promoting agricultural commodities.

He went on to explain that to be eligible for a grant a recipient must be:

1. sponsor a licensed agricultural fair;
2. be a nonprofit or a governmental organization;

3. provide an annual fair that runs for at least 3 days;
4. present through youth organizations such as 4-H educational programs concerning the production, marketing, and consumption of agricultural products; and
5. comply with NCDA rules.

Mr. Mitchell explained that Section 2 of the bill removes the \$100 limitation on contributions by counties and municipalities to agricultural fairs. Section 3 repeals G.S. 106-508, 509 and 510, dealing with the payment of premiums and annual statements to the State Treasurer.

The bill provides an appropriation for FY 1997-1998 of \$100,000 from the General Fund to NCDA to be used for grants to local agricultural fairs.

Several questions were taken from the floor. Representative Tolson moved that the bill be given a favorable report and be referred to the Committee on Appropriations. The bill was voted upon and given a favorable report.

The meeting adjourned at 10:30 a.m.


JOHN W. BROWN, CHAIRMAN


ANNA P. KIDD, CLERK

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

- ☐ Committee Substitute for
H.B. 1193 A BILL TO BE ENTITLED AN ACT TO CREATE AN AGRICULTURAL
FAIRS ADVISORY COMMITTEE IN THE DEPARTMENT OF AGRICULTURE AND
TO APPROPRIATE FUNDS FOR LOCAL AGRICULTURAL FAIRS.
- ☐ With a favorable report.
- ☒ With a favorable report and recommendation that the bill be re-referred to the Committee on
Appropriations.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)
- ☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)
- ☐ With an unfavorable report.
- ☐ With recommendation that the House concur.
- ☐ With recommendation that the House do not concur.
- ☐ With recommendation that the House do not concur; request conferees.
- ☐ With recommendation that the House concur; committee believes bill to be material.
- ☐ With an unfavorable report, with a Minority Report attached.
- ☐ Without prejudice.
- ☐ With an indefinite postponement report.
- ☐ With an indefinite postponement report, with a Minority Report attached.
- ☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1193

Short Title: Agricultural Fairs Committee/Funds.

(Public)

Sponsors: Representatives Brown, Mitchell, McCrary; and G. Wilson.

Referred to: Agriculture, if favorable, Appropriations.

May 1, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE AN AGRICULTURAL FAIRS ADVISORY COMMITTEE
3 IN THE DEPARTMENT OF AGRICULTURE AND TO APPROPRIATE
4 FUNDS FOR LOCAL AGRICULTURAL FAIRS.
5 The General Assembly of North Carolina enacts:
6 Section 1. Article 45 of Chapter 106 of the General Statutes is amended
7 by adding a new Part to read:
8 "Part 5. Agricultural Fairs Advisory Committee.
9 "§ 106-520.12. North Carolina Agricultural Fairs Advisory Committee.
10 (a) The North Carolina Agricultural Fairs Advisory Committee is created within
11 the Department of Agriculture.
12 (b) The Committee shall consist of five members as follows:
13 (1) The President of the North Carolina Association of Agricultural
14 Fairs, as appointed by that association.
15 (2) Four county agricultural fair managers, to be appointed by the
16 Commissioner of Agriculture.
17 The Commissioner of Agriculture or the Commissioner's designee, shall serve as
18 an ex officio member. The members of the Advisory Committee appointed under
19 subdivision (2) of this subsection shall serve for a term of four years. In the event of
20 a vacancy, the Commissioner shall appoint a replacement in the same manner as for
21 the original appointment to serve for the remainder of the unfinished term.
22 (c) The Commissioner of Agriculture or the Commissioner's designee shall serve
23 as chairman. A majority of the members shall constitute a quorum for the purpose of
24 transacting business.

1 "§ 106-520.13. Advisory duties.

2 The Committee shall advise the Commissioner of Agriculture in matters pertaining
3 to the development and improvement of local agricultural fairs.

4 "§ 106-520.14. Powers and duties of the Commissioner of Agriculture.

5 (a) The Commissioner of Agriculture, with the advice of the Committee and
6 subject to available funds, may make grants to qualified local agricultural fairs. The
7 Commissioner may make grants to be used by local agricultural fairs to pay premium
8 awards for competitive exhibits of products of agriculture and home economics and
9 of domestic livestock, and for vocational and judging skills.

10 (b) The Commissioner may make grants to help establish new facilities and to
11 improve existing facilities used in conducting events at local agricultural fairs. Grants
12 for facilities shall be made under conditions as may be imposed by the Commissioner
13 with the advice of the Committee. Grants to improve existing facilities shall require
14 matching funds from the local agricultural fair in an amount to be determined by the
15 Commissioner, with the advice of the Committee. Preference shall be given to
16 agricultural fair associations that are most representative of agricultural interests.
17 Grants to establish new agricultural fairs may be made to agricultural fair associations
18 without matching funds.

19 (c) The Commissioner may make grants, not to exceed one thousand dollars
20 (\$1,000) to any one fair, to be used to promote agricultural commodities.

21 "§ 106-520.15. Eligibility for grants.

22 (a) In order to be eligible to receive a grant under this Part, a recipient must
23 satisfy all of the following:

- 24 (1) Sponsor a fair that is licensed as an agricultural fair by the
25 Commissioner of Agriculture pursuant to G.S. 106-520.3.
26 (2) Be a nonprofit or governmental organization.
27 (3) Provide for an annual fair running for at least three days.
28 (4) Present through the medium of youth organizations such as 4-H
29 Clubs, Future Farmers of America, Future Homemakers of
30 America, and other similar organizations, an educational program
31 concerning the production, marketing, and consumption of
32 livestock, poultry, field crops, and horticultural crops.
33 (5) Comply with rules adopted by the Department of Agriculture.

34 (b) Any local agricultural fair or agricultural fair association receiving a grant
35 shall file with the Department of Agriculture by February 1 following the year in
36 which the grant is received satisfactory proof that all State premium awards have
37 been paid. As used in this subsection, 'proof' means a certified financial report
38 notarized and submitted by the treasurer of the local fair association."

39 Section 2. G.S. 106-520 reads as rewritten:

40 **"§ 106-520. Local aid to agricultural, animal, and poultry exhibits.**

41 ~~Any city, town, or county or municipality may appropriate not to exceed one~~
42 ~~hundred dollars (\$100.00) funds to aid any agricultural, animal, or poultry~~
43 ~~agricultural exhibition held within such city, town, or county or fair."~~

44 Section 3. G.S. 106-508, 106-509, and 106-510 are repealed.

1 Section 4. G.S. 106-516.1 reads as rewritten:

2 **"§ 106-516.1. Carnivals and similar amusements not to operate without permit.**

3 Every person, firm, or corporation engaged in the business of a carnival company
4 or a show of like kind, including menageries, merry-go-rounds, Ferris wheels, riding
5 devices, circus and similar amusements and enterprises operated and conducted for
6 profit, shall, prior to exhibiting in any county annually staging an agricultural fair,
7 apply to the sheriff of the county in which the exhibit is to be held for a permit to
8 exhibit. The sheriff of the county shall issue a permit without charge, ~~provided,~~
9 ~~however, that no charge.~~ No permit shall be issued if ~~he shall find~~ the sheriff finds
10 that the requested exhibition date is less than 30 days prior to a regularly advertised
11 agricultural fair ~~and so in conflict with G.S. 105-37.1(d).~~ fair. Exhibition without a
12 permit from the sheriff of the county in which the exhibition is to be held shall
13 constitute a Class 1 ~~misdemeanor.~~ Provided, that nothing ~~misdemeanor.~~ Nothing
14 contained in this section ~~shall prevent~~ prevents veterans' organizations and posts
15 chartered by Congress or organized and operated on a statewide or nationwide basis
16 from holding fairs or tobacco festivals on any dates ~~which~~ that they ~~may~~ select if ~~such~~
17 these fairs or festivals have ~~heretofore~~ been held previously as annual events."

18 Section 5. There is appropriated from the General Fund to the
19 Department of Agriculture the sum of one hundred thousand dollars (\$100,000) for
20 the 1997-98 fiscal year to be used for grants for local agricultural fairs pursuant to
21 Part 5 of Article 45 of Chapter 106 of the General Statutes, as enacted in Section 1 of
22 this act.

23 Section 6. This act becomes effective July 1, 1997.

VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE
Name of Committee

MAY 13, 1997
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jim Blackburn SAM JOHNSON	NC Assoc. of County Commrs. AT 741
Hank Johnson JUAN TILFOUT	Philip Morris NCFB
Harold H. Webb	Dairy Assn
Jim Brotherton	UNC Gen. Admin - NCSU Ag Pgm
David Muedt	N.C. State Grange
John Cyrus	N.C. State Grange
David McLeod	N.C. D.A.
Chester Lawder	NC Farm Bureau
W.B. Jenkins	" " "
Norman Jordan Jr.	NC Dairy Producers Assn.
Ed Bowen	R W Bone
William Connelly	N.C. Dept of Revenue
John Burton	" " "
John W. Edmonds	Wilson County
Bing Daniel	DOR
John J. Miller	Fort Hill Dec Co Vale NC 2816
Dewitt Hordge	NCFB
W Clyde Daniels	NCDA
Jim Horie	64 Daniels cove Lenoir Co PO Box 32317 Char 28612
John May	2731 S. Memorial Dr Greenville 27834 Dairy NCPA
Peter Daniel	NCDA
Walter Denny	"

AGENDA

**HOUSE AGRICULTURE COMMITTEE
TUESDAY, MAY 20, 1997
ROOM 1425
10:00 A.M.**

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

**S.B. #508 - TURKEY GROWER USE VALUE EXCEPTION
SPONSOR SEN. PLYLER**

**H.B. #980 - CROP ALLOTMENT TAX APPRAISAL
SPONSOR REP. EDWIN HARDY**

**H.B. # 998 - SOUTHERN DAIRY COMPACT
SPONSOR REP. FRANK MITCHELL**

ANNOUNCEMENTS

ADJOURNMENT

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: **TUESDAY, MAY 20, 1997**

TIME: **10:00 A.M.**

LOCATION: **ROOM 1425**

The following bills will be considered (Bill # & Short Title):

S.B. 508 - TURKEY GROWER USE VALUE EXCEPTION

H.B. 980 - CROP ALLOTMENT TAX APPRAISAL

H.B. 998 - SOUTHERN DAIRY COMPACT

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
10:00 A.M. on THURSDAY, MAY 15, 1997.

____Principal Clerk
____Reading Clerk - House Chamber

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. EDWIN HARDY

OFFICE: ROOM 417A

DATE: WEDNESDAY, MAY 14, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MAY 20, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #980 - CROP ALLOTMENT TAX APPRAISAL

We would like to have you attend this meeting.

Representative JOHN W. BROWN
Chairman

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. FRANK MITCHELL

OFFICE: ROOM 638

DATE: WEDNESDAY, MAY 14, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MAY 20, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #998 - SOUTHERN DAIRY COMPACT

We would like to have you attend this meeting.

Representative JOHN W. BROWN
Chairman

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: SEN. AARON W. PLYLER

OFFICE: ROOM 627

DATE: WEDNESDAY, MAY 14, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MAY 20, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

S.B. #508 - TURKEY GROWER USE VALUE EXCEPTION

We would like to have you attend this meeting.

Representative JOHN W. BROWN

Chairman

ANNA KIDD (Committee Clerk)

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

MAY 20, 1997

The House Committee on Agriculture met on Tuesday, May 20, 1997 at 10:00 a.m. in Room 1425 of the Legislative Building. Chairman John W. Brown presided with eighteen House Members present and eight House Members absent.

Chairman Brown introduced the pages and welcomed all guests to the Agriculture meeting. Next, Mr. Brown turned the meeting over to Representative Edwin Hardy sponsor of House Bill #980 entitled: **AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX PURPOSES**. Representative Hardy introduced Mr. John Bailey with the North Carolina Department of Revenue. Mr. Bailey was able to show the committee members a chart with the Department of Revenue's estimates, county by county, of tax revenue losses for those counties taking peanut and tobacco allotments. The data also includes charts with estimates of potential revenues for those counties that do not currently tax peanut and tobacco allotments (Attachment I).

Several of the members had numerous questions and several guests were recognized to speak. At one point an amendment was offered by Representative Smith. After several more questions, legal staff offered the amendment but Representative Ownes offered an adjustment to the amendment. At this point, Representative Hill wanted to offer another adjustment to the second amendment.

Chairman Brown decided that this needed to go to a Sub-Committee for further discussion and appraisal. Representative Brown appointed Representative Hill as Chairman of the Sub-Committee with the following Representatives: Smith, Rogers, and Yongue.

Senator Plyler sponsor for Senate Bill #508 entitled: **AN ACT TO PROVIDE THAT A TURKEY GROWER SHALL NOT BE DISQUALIFIED FROM USE VALUE TAXATION FOR A TWO YEAR PERIOD IF THE GROWER'S LAND IS TAKEN OUT OF PRODUCTION SOLELY BECAUSE OF THE PRESENCE OF TURKEY DISEASE IN THE AREA WAS INTRODUCED NEXT**. Since Senator Plyler was not present, the bill was pulled from the calendar.

Chairman Brown next introduced Representative Mitchell to speak on House Bill #998 entitled: **AN ACT TO ENACT INTO LAW THE SOUTHERN DAIRY COMPACT, TO DIRECT THE APPOINTMENT OF MEMBERS FROM NORTH CAROLINA TO THE SOUTHERN DAIRY COMPACT COMMISSION, AND TO**

APPROPRIATE FUNDS. Mr. Mitchell stated that this bill introduced by Representative Brown, enacts into North Carolina law the Southern Dairy Compact. The compact legislation was developed in meetings of 14 southern states in an effort to address the problems faced by the southern dairy industry. Its purpose is to regulate the price for milk received by the farmers, by setting prices for milk above those set by federal marketing orders, in order to assure a stable, local supply of milk and the continued viability of a dairy industry in the southern region.

He also mentioned that the legislation established a Compact Commission, that would consist of a delegation of 3 to 5 members from each participating state. Each state would have one vote and Commission matters would be decided by majority vote, except for the establishment or termination of an "over-order" price or a commission marketing order, which would require a 2/3 vote of the Commission.

A compact "over-order" price shall apply only to Class I milk and shall not exceed \$1.50 per gallon at Atlanta. This price may be adjusted to reflect differences in minimum federal order prices in the region. In the event the federal marketing orders are terminated, the Commission has the authority to establish commission marketing orders. A commission marketing order may apply to all classes and uses of milk.

He further stated that the Commission would have the authority to adopt rules using the rule-making procedures of Section 4 of the Federal Administrative Procedure Act. In establishing an over-order pricing order or commission marketing order, the Commission shall conduct a referendum among producers to determine their approval or disapproval of the proposed pricing order.

Costs of establishing the Commission may be covered by an assessment on milk handlers who purchase milk from producers in the region of \$.015 per hundred weight. The assessment is to be collected monthly for up to 1 year after the Commission convenes. In addition, the Commission has the authority borrow funds, however, it may not pledge the credit of any participating state.

The Compact takes effect when three States of the listed states have enacted its provisions into law and the consent of Congress has been obtained. To date, Louisiana and Arkansas have enacted this legislation.

The bill calls for an appropriation of \$25,000 for FY 1197-1998 and \$25,000 for FY 1998-1999 to the Compact Commission to conduct its activities.

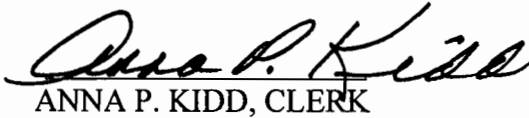
The act becomes effect July 1, 1997.

Several people spoke from the floor and questions were taken from members. Additional information was given out (Attachment II and III).

Since the committee's hour was coming to a close, Chairman Brown announced that House Bill #998 would be continued at the next meeting.

The meeting adjourned at 11:00 a.m.


JOHN W. BROWN, CHAIRMAN


ANNA P. KIDD, CLERK

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 980

Short Title: Crop Allotment Tax Appraisal.

(Public)

Sponsors: Representatives Hardy, Baker, Daughtry; Aldridge, Arnold, Berry, Brown, Cansler, Capps, Clary, Creech, Davis, Decker, Eddins, Hall, Hiatt, Hill, McComas, Miner, Mitchell, Morris, Nichols, Russell, Sherrill, Starnes, and G. Wilson.

Referred to: Agriculture, if favorable, Finance.

April 17, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE
3 CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX
4 PURPOSES.
5 The General Assembly of North Carolina enacts:
6 Section 1. G.S. 105-277.01 reads as rewritten:
7 "**§ 105-277.01. Certain farm products and land with crop allotments classified for**
8 **taxation at reduced valuation.**
9 (a) ~~Farm products (including~~ products, including crops but excluding poultry and
10 ~~other livestock)~~ livestock, held by or for a cooperative stabilization or marketing
11 association or corporation to which they have been delivered, conveyed, or assigned
12 by the original producer for the purpose of sale are hereby designated a special class
13 of property under authority of ~~Article V, Sec. 2(2)~~, Section 2(2) of Article V of the
14 North Carolina Constitution. Before being assessed for taxation the appraised
15 valuation of farm products so classified shall be reduced by the amount of any unpaid
16 loan or advance made or granted thereon by the United States government, an
17 agency of the United States government, or a cooperative stabilization or marketing
18 association or corporation.
19 (b) Land on which there are acreage or poundage allotments for farm
20 commodities is designated a special class of property under authority of Section 2(2)

1 of Article V of the North Carolina Constitution. The value of these allotments shall
2 not be considered in appraising land classified under this subsection."

3 Section 2. G.S. 105-289(a)(5) reads as rewritten:

4 "(5) To prepare and distribute annually to each assessor a manual that
5 establishes five expected net income per acre ranges for
6 agricultural land, horticultural land, and forestland, and establishes
7 a method for appraising nonproductive land as a percentage of the
8 lowest use-value established for productive land. The high and
9 low net income amount in each range may differ by no more than
10 fifteen dollars (\$15.00). The basis for establishing each range shall
11 be soil productivity.

12 For agricultural land, the expected net income per acre ranges
13 shall be based on the actual yields and prices of corn and soybeans
14 over a period of at least the five previous years, and the actual
15 fixed and variable costs, including an imputed management cost,
16 incurred in growing corn and soybeans over the same period of
17 time. ~~The manual shall contain recommended adjustments to the~~
18 ~~net income per acre ranges for the growing of crops subject to~~
19 ~~acreage or poundage allotments.~~

20 Expected net income per acre ranges shall be similarly
21 established for horticultural land and forestland, using typical
22 horticultural or forest products in various growing regions of the
23 State instead of corn and soybeans."

24 Section 3. This act is effective for taxes imposed for taxable years
25 beginning on or after July 1, 1998.



**North Carolina General Assembly
Legislative Services Office**

ATTACHMENT I

George R. Hall, Legislative Services Officer
(919) 733-7044

Elaine W. Robinson, Director
Administrative Division
Room 5, Legislative Building
16 W. Jones Street
Raleigh, NC 27603-5925
(919) 733-7500

Gerry F. Cohen, Director
Bill Drafting Division
Suite 401, LOB
300 N. Salisbury St.
Raleigh, NC 27603-5925
(919) 733-6660

Thomas L. Covington, Director
Fiscal Research Division
Suite 619, LOB
300 N. Salisbury St.
Raleigh, NC 27603-5925
(919) 733-4910

Donald W. Fulford, Director
Information Systems Division
Suite 400, LOB
300 N. Salisbury St.
Raleigh, NC 27603-5925
(919) 733-6834

Terrence D. Sullivan, Director
Research Division
Suite 545, LOB
300 N. Salisbury St.
Raleigh, NC 27603-5925
(919) 733-2578

April 21, 1997

TO: House Agriculture Committee

FROM: Barbara Riley, Committee Counsel

RE: **House Bill 980: Crop Allotment Tax Appraisal**

Attached please find the Department of Revenue's estimates, county by county, of tax revenue losses for those counties taxing peanut and tobacco allotments. The data also includes charts with estimates of potential revenues for those counties that do not currently tax peanut and tobacco allotments.

ESTIMATE OF TAX REVENUE LOSS FOR COUNTIES TAXING PEANUT ALLOTMENTS

COUNTY	PEANUT PRODUCTION [POUNDS]	ALLOTMENT VALUE PER POUND	TAX RATE PER \$100 OF ASSESSED VALUE	ESTIMATE OF TAX REVENUE
BERTIE	46,209,000	0.30	0.76	\$105,357
BLADEN	8,295,000	0.20	0.7375	\$12,235
CRAVEN	125,000	0.29	0.585	\$212
EDGECOMBE	26,892,000	0.30	0.88	\$70,995
GATES	23,020,000	0.30	0.88	\$60,773
GREENE	292,000	0.38	0.835	\$927
HALIFAX*	54,469,000	0.38	0.69	\$142,818
HERTFORD	32,124,000	0.32	0.96	\$98,685
MARTIN	38,341,000	0.30	0.77	\$88,568
NASH	5,728,000	0.30	0.61	\$10,482
NORTHAMPTON	63,481,000	0.28	0.76	\$135,088
PENDER	676,000	0.10	0.61	\$412
PITT	9,100,000	0.38	0.66	\$22,823
WASHINGTON	6,632,000	0.25	0.92	\$15,254
TOTAL				\$764,627

EXPLANATORY NOTES:

[1.] PRODUCTION NUMBERS ARE FROM NORTH CAROLINA AGRICULTURAL STATISTICS [1996 EDITION] AND ARE FOR 1995 (THE LATEST AVAILABLE PRODUCTION NUMBERS ON A COUNTY BY COUNTY BASIS).

[2.] ESTIMATE OF TAX REVENUE ASSUMES THAT PRODUCTION NUMBERS ARE CLOSELY REPRESENTATIVE OF ACTUAL ALLOTMENTS AND THAT THE COUNTIES ARE ASSESSING FOR ALL OF THE ALLOTMENT.

[3.] TAX RATES ARE FOR FISCAL YEAR 1996-1997 (SOURCE: N.C. DEPT OF REVENUE TAX RESEARCH DIVISION)

[4.] ASSUMPTION FOR THIS PURPOSE IS THAT ALL PROPERTIES ARE OUTSIDE OF CITY LIMITS. ONLY THE BASE COUNTY RATE WAS USED. REVENUE WOULD BE HIGHER FOR ALL PROPERTIES IN THE CITY LIMITS.

[5.] THIS LIST OF COUNTIES WHICH ARE TAXING ALLOTMENTS IS DERIVED FROM A 1996 SURVEY BY THE N.C. DEPT OF REVENUE AD VALOREM TAX DIVISION TO THE INDIVIDUAL COUNTIES.

[6.] VERIFICATION BY PHONE HAS BEEN ATTEMPTED BUT NOT ALL COUNTIES HAVE BEEN VERIFIED. WHERE NO VERIFICATION WAS OBTAINED, THE TAX VALUATION RATE FOR THE ALLOTMENT WAS TAKEN FROM THE USE VALUE ADVISORY BOARD RECOMMENDED RATES. THOSE COUNTIES WHICH WERE NOT VERIFIED WILL BE INDICATED BY AN ASTERISK (*) AFTER THEIR NAME.

ESTIMATE OF POTENTIAL TAX REVENUE FOR COUNTIES NOT TAXING PEANUT ALLOTMENTS

COUNTY	PEANUT PRODUCTION [POUNDS]	ALLOTMENT VALUE PER POUND	TAX RATE PER \$100 OF ASSESSED VALUE	ESTIMATE OF TAX REVENUE
ALAMANCE	0	0.38		
ALEXANDER	0	0.38		
ALLEGHANY	0	0.38	0.5300	\$0
ANSON	0	0.38	0.5800	\$0
ASHE	0	0.38	0.8350	\$0
AVERY	0	0.38	0.5800	\$0
BEAUFORT	481,000	0.38	0.5800	\$0
BRUNSWICK	0	0.38	0.6000	\$1,097
BUNCOMBE	0	0.38	0.6850	\$0
BURKE	0	0.38	0.7300	\$0
CABARRUS	0	0.38	0.5900	\$0
CALDWELL	0	0.38	0.6100	\$0
CAMDEN	0	0.38	0.6390	\$0
CARTERET	0	0.38	0.7500	\$0
CASWELL	0	0.38	0.5050	\$0
CATAWBA	0	0.38	0.7050	\$0
CHATHAM	0	0.38	0.5200	\$0
CHEROKEE	0	0.38	0.7400	\$0
CHOWAN	17,828,000	0.38	0.4700	\$0
CLAY	0	0.38	0.7700	\$52,165
CLEVELAND	0	0.38	0.4300	\$0
COLUMBUS	2,563,000	0.38	0.6200	\$0
CUMBERLAND	418,000	0.38	0.7800	\$7,597
CURRITUCK	136,000	0.38	0.7500	\$1,191
DARE	0	0.38	0.6500	\$336
DAVIDSON	0	0.38	0.4000	\$0
			0.5400	\$0

DAVIE	0	0.38	0.6000	\$0
DUPLIN	0	0.38	0.7750	\$0
DURHAM	0	0.38	0.9597	\$0
FORSYTH	0	0.38	0.7264	\$0
FRANKLIN	0	0.38	0.9000	\$0
GASTON	0	0.38	0.8410	\$0
GRAHAM	0	0.38	0.6000	\$0
GRANVILLE	0	0.38	0.7200	\$0
GUILFORD	0	0.38	0.6572	\$0
HARNETT	0	0.38	0.7000	\$0
HAYWOOD	0	0.38	0.6100	\$0
HENDERSON	0	0.38	0.5150	\$0
HOKE	0	0.38	0.9400	\$0
HYDE	0	0.38	0.8900	\$0
IREDELL	0	0.38	0.4500	\$0
JACKSON	0	0.38	0.5300	\$0
JOHNSTON	134,000	0.38	0.7400	\$377
JONES	0	0.38	0.8400	\$0
LEE	0	0.38	0.6800	\$0
LENOIR	41,000	0.38	0.7500	\$117
LINCOLN	0	0.38	0.6150	\$0
MACON	0	0.38	0.4950	\$0
MADISON	0	0.38	0.6500	\$0
MCDOWELL	0	0.38	0.6375	\$0
MECKLENBURG	0	0.38	0.7300	\$0
MITCHELL	0	0.38	0.5400	\$0
MONTGOMERY	0	0.38	0.6700	\$0
MOORE	0	0.38	0.4500	\$0
NEW HANOVER	0	0.38	0.6450	\$0
ONslow	11000	0.38	0.6440	\$27
ORANGE	0	0.38	0.9975	\$0
PAMLICO	0	0.38	0.6943	\$0
PASQUOTANK	315,000	0.38	0.7700	\$922
PERQUIMANS	8,927,000	0.38	0.7800	\$26,460
PERSON	0	0.38	0.6500	\$0
POLK	0	0.38	0.4933	\$0
RANDOLPH	0	0.38	0.4650	\$0
RICHMOND	0	0.38	0.9700	\$0

ROBESON	169000	0.38	0.8100	\$520
ROCKINGHAM	0	0.38	0.8100	\$0
ROWAN	0	0.38	0.6375	\$0
RUTHERFORD	0	0.38	0.5500	\$0
SAMPSON	368,000	0.38	0.6700	\$937
SCOTLAND	0	0.38	0.9500	\$0
STANLY	0	0.38	0.6675	\$0
STOKES	0	0.38	0.5700	\$0
SURRY	0	0.38	0.5200	\$0
SWAIN	0	0.38	0.5700	\$0
TRANSYLVANIA	0	0.38	0.5410	\$0
TYRRELL	146,000	0.38	1.0300	\$571
UNION	0	0.38	0.6600	\$0
VANCE	0	0.38	0.8000	\$0
WAKE	0	0.38	0.6300	\$0
WARREN	0	0.38	0.8800	\$0
WATAUGA	0	0.38	0.4350	\$0
WAYNE	17000	0.38	0.6500	\$42
WILKES	0	0.38	0.6300	\$0
WILSON	91000	0.38	0.7700	\$266
YADKIN	0	0.38	0.6800	\$0
YANCEY	0	0.38	0.5000	\$0
			TOTAL	\$92,624

EXPLANATORY NOTES:

[1.] PRODUCTION NUMBERS ARE FROM NORTH CAROLINA AGRICULTURAL STATISTICS [1996 EDITION] AND ARE FOR 1995 (THE LATEST AVAILABLE PRODUCTION NUMBERS ON A COUNTY BY COUNTY BASIS).

[2.] ESTIMATE OF TAX REVENUE ASSUMES THAT PRODUCTION NUMBERS ARE CLOSELY REPRESENTATIVE OF ACTUAL ALLOTMENTS AND THAT THE COUNTIES WOULD BE ASSESSING FOR ALL OF THE ALLOTMENT.

[3.] TAX RATES ARE FOR FISCAL YEAR 1996-1997 (SOURCE: N C DEPT OF REVENUE TAX RESEARCH DIVISION)

[4.] ASSUMPTION FOR THIS PURPOSE IS THAT ALL PROPERTIES ARE OUTSIDE OF CITY LIMITS. ONLY

THE BASE COUNTY RATE WAS USED. REVENUE WOULD BE HIGHER FOR ALL PROPERTIES IN THE CITY LIMITS.

[5.] THIS LIST OF COUNTIES WHICH ARE NOT TAXING ALLOTMENTS IS DERIVED FROM A 1996 SURVEY BY THE N C DEPT OF REVENUE AD VALOREM TAX DIVISION TO THE INDIVIDUAL COUNTIES.

[6.] SINCE THE ABOVE COUNTIES DO NOT APPEAR TO BE TAXING THE ALLOTMENT (PER THE 1996 N C DOR SURVEY), THE USE VALUE ADVISORY BOARD RECOMMENDED RATES HAVE BEEN USED TO ESTIMATE TAX REVENUE.

ESTIMATE OF TAX REVENUE LOSS FOR COUNTIES TAXING TOBACCO ALLOTMENTS

COUNTY	TOBACCO PRODUCTION [POUNDS]	ALLOTMENT VALUE PER POUND	TAX RATE PER \$100 OF ASSESSED VALUE	ESTIMATE OF TAX REVENUE
ALAMANCE	3,726,000	1.31	0.53	\$25,870
AVERY	182,000	1.21	0.58	\$1,277
BERTIE	6,328,000	1.81	0.76	\$87,048
BLADEN	6,449,000	1.60	0.7375	\$76,098
CARTERET*	1,376,000	2.01	0.5050	\$13,967
CASWELL	7,892,000	1.28	0.705	\$71,217
CRAVEN	8,631,000	1.93	0.585	\$97,448
CUMBERLAND	4,114,000	2.00	0.75	\$61,710
DAVIE	770,000	0.40	0.60	\$1,848
EDGECOMBE	12,562,000	1.77	0.88	\$195,666
FORSYTH	4,006,000	1.63	0.7264	\$47,432
GATES	267,000	1.75	0.88	\$4,112
GREENE	12,560,000	2.08	0.835	\$218,142
GUILFORD	7,796,000	1.71	0.6572	\$87,612
HALIFAX*	5,767,000	2.08	0.69	\$82,768
HERTFORD	3,496,000	1.75	0.96	\$58,733
IREDELL	994,000	0.75	0.45	\$3,355
LEE	3,257,000	0.0025	0.68	\$55
MARTIN	10,100,000	1.75	0.77	\$136,098
NASH	22,412,000	1.59	0.61	\$217,374
NORTHAMPTON	412,000	1.56	0.76	\$4,885
ONSLOW	5,191,000	1.00	0.644	\$33,430
PENDER	2,772,000	1.25	0.61	\$21,137
PERSON	9,488,000	1.71	0.65	\$105,459
PITT	25,155,000	2.00	0.66	\$332,046
ROBESON	23,598,000	1.00	0.81	\$191,144

WARREN	6,102,000	1.25	0.88	\$67,122
WASHINGTON	879,000	1.00	0.92	\$8,087
WAYNE	17,817,000	2.00	0.65	\$231,621
WILSON	20,180,000	1.73	0.77	\$268,818
TOTAL				\$2,751,578

EXPLANATORY NOTES:

- [1.] PRODUCTION NUMBERS ARE FROM NORTH CAROLINA AGRICULTURAL STATISTICS [1996 EDITION] AND ARE FOR 1995 (THE LATEST AVAILABLE PRODUCTION NUMBERS ON A COUNTY BY COUNTY BASIS).
- [2.] ESTIMATE OF TAX REVENUE ASSUMES THAT PRODUCTION NUMBERS ARE CLOSELY REPRESENTATIVE OF ACTUAL ALLOTMENTS AND THAT THE COUNTIES ARE ASSESSING FOR ALL OF THE ALLOTMENT.
- [3.] TAX RATES ARE FOR FISCAL YEAR 1996-1997 (SOURCE: N C DEPT OF REVENUE TAX RESEARCH DIVISION)
- [4.] ASSUMPTION FOR THIS PURPOSE IS THAT ALL PROPERTIES ARE OUTSIDE OF CITY LIMITS. ONLY THE BASE COUNTY RATE WAS USED. REVENUE WOULD BE HIGHER FOR ALL PROPERTIES IN THE CITY LIMITS.
- [5.] THIS LIST OF COUNTIES WHICH ARE TAXING ALLOTMENTS IS DERIVED FROM A 1996 SURVEY BY THE N C DEPT OF REVENUE AD VALOREM TAX DIVISION TO THE INDIVIDUAL COUNTIES.
- [6.] VERIFICATION BY PHONE HAS BEEN ATTEMPTED BUT NOT ALL COUNTIES HAVE BEEN VERIFIED. WHERE NO VERIFICATION WAS OBTAINED, THE TAX VALUATION RATE FOR THE ALLOTMENT WAS TAKEN FROM THE USE VALUE ADVISORY BOARD RECOMMENDED RATES. THOSE COUNTIES WHICH WERE NOT VERIFIED WILL BE INDICATED BY AN ASTERISK (*) AFTER THEIR NAME.

ESTIMATE OF POTENTIAL TAX REVENUE FOR COUNTIES NOT TAXING TOBACCO ALLOTMENTS

COUNTY	TOBACCO PRODUCTION [POUNDS]	ALLOTMENT VALUE PER POUND	TAX RATE PER \$100 OF ASSESSED VALUE	ESTIMATE OF TAX REVENUE
ALEXANDER	1,134,000	1.71	0.5300	\$10,277
ALLEGHANY	416,000	1.22	0.5800	\$2,944
ANSON	172,000	1.71	0.8350	\$2,456
ASHE	1,032,000	1.22	0.5800	\$7,302
BEAUFORT	8,398,000	2.01	0.6000	\$101,280
BRUNSWICK	3,361,000	2.01	0.6850	\$46,276
BUNCOMBE	1,508,000	1.22	0.7300	\$13,430
BURKE	1,000	1.71	0.5900	\$10
CABARRUS	0	1.71	0.6100	\$0
CALDWELL	505,000	1.71	0.6390	\$5,518
CAMDEN	0	2.02	0.7500	\$0
CATAWBA	0	1.71	0.5200	\$0
CHATHAM	1,814,000	1.71	0.7400	\$22,954
CHEROKEE	93,000	1.22	0.4700	\$533
CHOWAN	596,000	2.02	0.7700	\$9,270
CLAY	111,000	1.22	0.4300	\$582
CLEVELAND	0	1.71	0.6200	\$0
COLUMBUS	21,582,000	2.01	0.7800	\$338,363
CURRITUCK	0	2.02	0.6500	\$0
DARE	0	2.02	0.4000	\$0
DAVIDSON	3,080,000	1.71	0.5400	\$28,441
DUPLIN	15,806,000	2.08	0.7750	\$254,793
DURHAM	2,158,000	1.71	0.9597	\$35,415
FRANKLIN	12,552,000	1.71	0.9000	\$193,175
GASTON	0	1.71	0.8410	\$0
GRAHAM	258,000	1.22	0.6000	\$1,889

GRANVILLE	12,740,000	1.71	0.7200	\$156,855
HARNETT	12,888,000	2.08	0.7000	\$187,649
HAYWOOD	1,038,000	1.22	0.6100	\$7,725
HENDERSON	22,000	1.22	0.5150	\$138
HOKE	2,565,000	2.10	0.9400	\$50,633
HYDE	0	2.02	0.8900	\$0
JACKSON	62,000	1.22	0.5300	\$401
JOHNSTON	22,236,000	2.08	0.7400	\$342,257
JONES	5,343,000	2.01	0.8400	\$90,211
LENOIR	16,676,000	2.01	0.7500	\$251,391
LINCOLN	0	1.71	0.6150	\$0
MACON	37,000	1.22	0.4950	\$223
MADISON	2,917,000	1.22	0.6500	\$23,132
MCDOWELL	0	1.22	0.6375	\$0
MECKLENBURG	0	1.71	0.7300	\$0
MITCHELL	673,000	1.22	0.5400	\$4,434
MONTGOMERY	958,000	1.71	0.6700	\$10,976
MOORE	5,009,000	2.10	0.4500	\$47,335
NEW HANOVER	54,000	2.01	0.6450	\$700
ORANGE	3,383,000	1.71	0.9975	\$57,705
PAMLICO	790,000	2.02	0.6943	\$11,080
PASQUOTANK	0	2.02	0.7700	\$0
PERQUIMANS	0	2.02	0.7800	\$0
POLK	0	1.22	0.4933	\$0
RANDOLPH	2,274,000	1.71	0.4650	\$18,082
RICHMOND	2,108,000	2.10	0.9700	\$42,940
ROCKINGHAM	11,616,000	1.71	0.8100	\$160,893
ROWAN	13,000	1.71	0.6375	\$142
RUTHERFORD	3,000	1.71	0.5500	\$28
SAMPSON	11,718,000	2.08	0.6700	\$163,302
SCOTLAND	1,061,000	2.08	0.9500	\$20,965
STANLY	0	1.71	0.6675	\$0
STOKES	10,101,000	1.71	0.5700	\$98,454
SURRY	10,737,000	1.71	0.5200	\$95,473
SWAIN	57,000	1.22	0.5700	\$396
TRANSYLVANIA	18,000	1.22	0.5410	\$119
TYRRELL	0	2.02	1.0300	\$0
UNION	0	1.71	0.6600	\$0

VANCE	8,536,000	1.71	0.8000	\$116,772
WAKE	18,946,000	1.71	0.6300	\$204,105
WATAUGA	888,000	1.22	0.4350	\$4,713
WILKES	1,456,000	1.71	0.6300	\$15,685
YADKIN	7,687,000	1.71	0.6800	\$89,384
YANCEY	1,122,000	1.22	0.5000	\$6,844
			TOTAL	\$3,356,052

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GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 998*

Short Title: Southern Dairy Compact.

(Public)

Sponsors: Representatives Brown and Mitchell.

Referred to: Agriculture, if favorable, Appropriations.

April 17, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT INTO LAW THE SOUTHERN DAIRY COMPACT, TO
3 DIRECT THE APPOINTMENT OF MEMBERS FROM NORTH CAROLINA
4 TO THE SOUTHERN DAIRY COMPACT COMMISSION, AND TO
5 APPROPRIATE FUNDS.

6 The General Assembly of North Carolina enacts:

7 Section 1. Chapter 106 of the General Statutes is amended by adding a
8 new Article to read:

9 "ARTICLE 68.

10 "Southern Dairy Compact.

11 "§ 106-810. Southern Dairy Compact entered into; form of Compact.

12 The Southern Dairy Compact is enacted into law and entered into with all other
13 jurisdictions legally joining therein in the form substantially as follows:

14 ARTICLE I. Statement of Purpose, Findings, and Declaration of Policy

15 "§ 1. Statement of purpose, findings, and declaration of policy.

16 The purpose of this compact is to recognize the interstate character of the southern
17 dairy industry and the prerogative of the states under the United States Constitution
18 to form an interstate commission for the southern region. The mission of the
19 Commission is to take such steps as are necessary to assure the continued viability of
20 dairy farming in the South, and to assure consumers of an adequate, local supply of
21 pure and wholesome milk.

22 The participating states find and declare that the dairy industry is an essential
23 agricultural activity of the South. Dairy farms, and associated suppliers, marketers,
24 processors, and retailers, are an integral component of the region's economy. Their

1 ability to provide a stable, local supply of pure, wholesome milk is a matter of great
2 importance to the health and welfare of the region.

3 The participating states further find that dairy farms are essential, and they are an
4 integral part of the region's rural communities. The farms preserve land for
5 agricultural purposes and provide needed economic stimuli for rural communities.

6 By entering into this compact, the participating states affirm that their ability to
7 regulate the price that southern dairy farmers receive for their product is essential to
8 the public interest. Assurance of a fair and equitable price for dairy farmers ensures
9 their ability to provide milk to the market and the vitality of the southern dairy
10 industry, with all the associated benefits.

11 Recent dramatic price fluctuations, with a pronounced downward trend, threaten
12 the viability and stability of the southern dairy region. Historically, individual state
13 regulatory action had been an effective emergency remedy available to farmers
14 confronting a distressed market. The system of federal orders, implemented by the
15 Agricultural Marketing Agreement Act of 1937, establishes only minimum prices paid
16 to producers for raw milk, without preempting the power of states to regulate milk
17 prices above the minimum levels so established.

18 In today's regional dairy marketplace, cooperative, rather than individual state
19 action is needed to more effectively address the market disarray. Under our
20 constitutional system, properly authorized states acting cooperatively may exercise
21 more power to regulate interstate commerce than they may assert individually
22 without such authority. For this reason, the participating states invoke their authority
23 to act in common agreement, with the consent of Congress, under the compact clause
24 of the Constitution.

25 In establishing their constitutional regulatory authority over the region's fluid milk
26 market by this compact, the participating states declare their purpose that this
27 compact neither displace the system of federal orders nor encourage the merging of
28 federal orders. Specific provisions of the compact itself set forth this basic principle.

29 Designed as a flexible mechanism able to adjust to changes in a regulated
30 marketplace, the compact also contains a contingency provision should the system of
31 federal orders be discontinued. In that event, the interstate commission may regulate
32 the marketplace in lieu of the system of federal orders. This contingent authority
33 does not anticipate such a change, however, and should not be so construed. It is
34 only provided should developments in the market other than establishment of this
35 compact result in discontinuance of the system of federal orders.

36 ARTICLE II. Definitions and Rules of Construction

37 "§ 2. Definitions.

38 For the purposes of this compact, and of any supplemental or concurring
39 legislation enacted pursuant thereto, except as may be otherwise required by the
40 context:

- 41 (1) 'Class I milk' means milk disposed of in fluid form or as a fluid
42 milk product, subject to further definition in accordance with the
43 principles expressed in subsection (b) of Section 3.

- 1 (2) 'Commission' means the Southern Dairy Compact Commission
2 established by this compact.
- 3 (3) 'Commission marketing order' means regulations adopted by the
4 Commission pursuant to Sections 9 and 10 of this compact in place
5 of a terminated federal marketing order or state dairy regulation.
6 Such order may apply throughout the region or in any part or
7 parts thereof as defined in the regulations of the Commission.
8 Such order may establish minimum prices for any or all classes of
9 milk.
- 10 (4) 'Compact' means this interstate compact.
- 11 (5) 'Compact over-order price' means a minimum price required to be
12 paid to producers for Class I milk established by the Commission
13 in regulations adopted pursuant to Sections 9 and 10 of this
14 compact, which is above the price established in federal marketing
15 orders or by state farm price regulation in the regulated area.
16 Such price may apply throughout the region or in any part or parts
17 thereof as defined in the regulations of the Commission.
- 18 (6) 'Milk' means the lacteal secretion of cows and includes all skim,
19 butterfat, or other constituents obtained from separation or any
20 other process. The term is used in its broadest sense and may be
21 further defined by the Commission for regulatory purposes.
- 22 (7) 'Partially regulated plant' means a milk plant not located in a
23 regulated area but having Class I distribution within such area.
24 Commission regulations may exempt plants having such
25 distribution or receipts in amounts less than the limits defined
26 therein.
- 27 (8) 'Participating state' means a state which has become a party to this
28 compact by the enactment of concurring legislation.
- 29 (9) 'Pool plant' means any milk plant located in a regulated area.
- 30 (10) 'Region' means the territorial limits of the states which are parties
31 to this compact.
- 32 (11) 'Regulated area' means any area within the region governed by
33 and defined in regulations establishing a compact over-order price
34 or commission marketing order.
- 35 (12) 'State dairy regulation' means any state regulation of dairy prices
36 and associated assessments, whether by statute, marketing order, or
37 otherwise.

38 "§ 3. Rules of construction.

- 39 (a) This compact shall not be construed to displace existing federal milk
40 marketing orders or state dairy regulation in the region but to supplement them. In
41 the event some or all federal orders in the region are discontinued, the compact shall
42 be construed to provide the Commission the option to replace them with one or
43 more commission marketing orders pursuant to this compact.

(b) This compact shall be construed liberally in order to achieve the purposes and intent enunciated in Section 1. It is the intent of this compact to establish a basic structure by which the Commission may achieve those purposes through the application, adaptation, and development of the regulatory techniques historically associated with milk marketing and to afford the Commission broad flexibility to devise regulatory mechanisms to achieve the purposes of this compact. In accordance with this intent, the technical terms which are associated with market order regulation and which have acquired commonly understood general meanings are not defined herein but the Commission may further define the terms used in this compact and develop additional concepts and define additional terms as it may find appropriate to achieve its purposes.

ARTICLE III. Commission Established

"§ 4. Commission established.

There is hereby created a commission to administer the compact, composed of delegations from each state in the region. The Commission shall be known as the Southern Dairy Compact Commission. A delegation shall include not less than three nor more than five persons. Each delegation shall include at least one dairy farmer who is engaged in the production of milk at the time of appointment or reappointment, and one consumer representative. Delegation members shall be residents and voters of, and subject to such confirmation process as is provided for in, the appointing state. Delegation members shall serve no more than three consecutive terms with no single term of more than four years, and be subject to removal for cause. In all other respects, delegation members shall serve in accordance with the laws of the state represented. The compensation, if any, of the members of a state delegation shall be determined and paid by each state, but their expenses shall be paid by the Commission.

"§ 5. Voting requirements.

All actions taken by the Commission, except for the establishment or termination of an over-order price or commission marketing order, and the adoption, amendment, or rescission of the Commission's bylaws, shall be by majority vote of the delegations present. Each state delegation shall be entitled to one vote in the conduct of the Commission's affairs. Establishment or termination of an over-order price or commission marketing order shall require at least a two-thirds vote of the delegations present. The establishment of a regulated area that covers all or part of a participating state shall require also the affirmative vote of that state's delegation. A majority of the delegations from the participating states shall constitute a quorum for the conduct of the Commission's business.

"§ 6. Administration and management.

(a) The Commission shall elect annually from among the members of the participating state delegations a chairperson, a vice-chairperson, and a treasurer. The Commission shall appoint an executive director and fix his or her duties and compensation. The executive director shall serve at the pleasure of the Commission, and, together with the treasurer, shall be bonded in an amount determined by the

1 Commission. The Commission may establish through its bylaws an executive
2 committee composed of one member elected by each delegation.

3 (b) The Commission shall adopt bylaws for the conduct of its business by a two-
4 thirds vote and shall have the power by the same vote to amend and rescind these
5 bylaws. The Commission shall publish its bylaws in convenient form with the
6 appropriate agency or officer in each of the participating states. The bylaws shall
7 provide for appropriate notice to the delegations of all Commission meetings and
8 hearings and of the business to be transacted at such meetings or hearings. Notice
9 also shall be given to other agencies or officers of participating states as provided by
10 the laws of those states.

11 (c) The Commission shall file an annual report with the Secretary of Agriculture
12 of the United States, and with each of the participating states by submitting copies to
13 the Governor, both houses of the legislature, and the head of the state department
14 having responsibilities for agriculture.

15 (d) In addition to the powers and duties elsewhere prescribed in this compact, the
16 Commission may engage in all of the following:

- 17 (1) Sue and be sued in any state or federal court.
- 18 (2) Have a seal and alter the same at pleasure.
- 19 (3) Acquire, hold, and dispose of real and personal property by gift,
20 purchase, lease, license, or other similar manner, for its corporate
21 purposes.
- 22 (4) Borrow money and to issue notes, to provide for the rights of the
23 holders thereof, and to pledge the revenue of the Commission as
24 security therefor, subject to the provisions of Section 18 of this
25 compact.
- 26 (5) Appoint such officers, agents, and employees as it may deem
27 necessary, prescribe their powers, duties, and qualifications.
- 28 (6) Create and abolish such offices, employments, and positions as it
29 deems necessary for the purposes of the compact and provide for
30 the removal, term, tenure, compensation, fringe benefits, pension,
31 and retirement rights of its officers and employees.
- 32 (7) Retain personal services on a contract basis.

33 "§ 7. Rule-making power.

34 In addition to the power to promulgate a compact over-order price or commission
35 marketing orders as provided by this compact, the Commission is further empowered
36 to make and enforce such additional rules and regulations as it deems necessary to
37 implement any provisions of this compact, or to effectuate in any other respect the
38 purposes of this compact.

39 ARTICLE IV. Powers of the Commission

40 "§ 8. Powers to promote regulatory uniformity, simplicity, and interstate cooperation.

41 The Commission may:

- 42 (1) Investigate or provide for investigations or research projects
43 designed to review the existing laws and regulations of the
44 participating states, to consider their administration and costs, to

measure their impact on the production and marketing of milk and their effects on the shipment of milk and milk products within the region.

(2) Study and recommend to the participating states joint or cooperative programs for the administration of the dairy marketing laws and regulations and to prepare estimates of cost savings and benefits of such programs.

(3) Encourage the harmonious relationships between the various elements in the industry for the solution of their material problems. Conduct symposia or conferences designed to improve industry relations, or a better understanding of problems.

(4) Prepare and release periodic reports on activities and results of the Commission's efforts to the participating states.

(5) Review the existing marketing system for milk and milk products and recommend changes in the existing structure for assembly and distribution of milk which may assist, improve, or promote more efficient assembly and distribution of milk.

(6) Investigate costs and charges for producing, hauling, handling, processing, distributing, selling, and for all other services, performed with respect to milk.

(7) Examine current economic forces affecting producers, probable trends in production and consumption, the level of dairy farm prices in relation to costs, the financial conditions of dairy farmers, and the need for an emergency order to relieve critical conditions on dairy farms.

"§ 9. Equitable farm prices.

(a) The powers granted in this section and Section 10 shall apply only to the establishment of a compact over-order price, so long as federal milk marketing orders remain in effect in the region. In the event that any or all such orders are terminated, this Article authorizes the Commission to establish one or more commission marketing orders, as herein provided, in the region or parts thereof as defined in the order.

(b) A compact over-order price established pursuant to this section shall apply only to Class I milk. Such compact over-order price shall not exceed one dollar and fifty cents (\$1.50) per gallon at Atlanta, Georgia, however, this compact over-order price shall be adjusted upward or downward at other locations in the region to reflect differences in minimum federal order prices. Beginning in 1990, and using that year as a base, the foregoing one dollar and fifty cents (\$1.50) per gallon maximum shall be adjusted annually by the rate of change in the Consumer Price Index as reported by the Bureau of Labor Statistics of the United States Department of Labor. For purposes of the pooling and equalization of an over-order price, the value of milk used in other use classifications shall be calculated at the appropriate class price established pursuant to the applicable federal order or state dairy regulation and the value of unregulated milk shall be calculated in relation to the nearest prevailing

1 class price in accordance with and subject to such adjustments as the Commission
2 may prescribe in regulations.

3 (c) A commission marketing order shall apply to all classes and uses of milk.

4 (d) The Commission may establish a compact over-order price for milk to be paid
5 by pool plants and partially regulated plants. The Commission also may establish a
6 compact over-order price to be paid by all other handlers receiving milk from
7 producers located in a regulated area. This price shall be established either as a
8 compact over-order price or by one or more commission marketing orders.
9 Whenever such a price has been established by either type of regulation, the legal
10 obligation to pay such price shall be determined solely by the terms and purpose of
11 the regulation without regard to the situs of the transfer of title, possession, or any
12 other factors not related to the purposes of the regulation and this compact.
13 Producer-handlers as defined in an applicable federal market order shall not be
14 subject to a compact over-order price. The Commission shall provide for similar
15 treatment of producer-handlers under commission marketing orders.

16 (e) In determining the price, the Commission shall consider the balance between
17 production and consumption of milk and milk products in the regulated area, the
18 costs of production including, but not limited to, the price of feed, the cost of labor
19 including the reasonable value of the producer's own labor and management,
20 machinery expense and interest expense, the prevailing price for milk outside the
21 regulated area, the purchasing power of the public, and the price necessary to yield a
22 reasonable return to the producer and distributor.

23 (f) When establishing a compact over-order price, the Commission shall take such
24 other action as is necessary and feasible to help ensure that the over-order price does
25 not cause or compensate producers so as to generate local production of milk in
26 excess of those quantities necessary to assure consumers of an adequate supply for
27 fluid purposes.

28 (g) The Commission shall whenever possible enter into agreements with state or
29 federal agencies for exchange of information or services for the purpose of reducing
30 regulatory burden and cost of administering the compact. The Commission may
31 reimburse other agencies for the reasonable cost of providing these services.

32 "§ 10. Optional provisions for pricing order.

33 Regulations establishing a compact over-order price or a commission marketing
34 order may contain, but shall not be limited to, any of the following:

35 (1) Provisions classifying milk in accordance with the form in which or
36 purpose for which it is used, or creating a flat pricing program.

37 (2) With respect to a commission marketing order only, provisions
38 establishing or providing a method for establishing separate
39 minimum prices for each use classification prescribed by the
40 Commission, or a single minimum price for milk purchased from
41 producers or associations of producers.

42 (3) With respect to an over-order minimum price, provisions
43 establishing or providing a method for establishing such minimum
44 price for Class I milk.

- 1 (4) Provisions for establishing either an over-order price or a
2 commission marketing order may make use of any reasonable
3 method for establishing such price or prices including flat pricing
4 and formula pricing. Provision may also be made for location
5 adjustments, zone differentials, and competitive credits with respect
6 to regulated handlers who market outside the regulated area.
- 7 (5) Provisions for the payment to all producers and associations of
8 producers delivering milk to all handlers of uniform prices for all
9 milk so delivered, irrespective of the uses made of such milk by the
10 individual handler to whom it is delivered, or for the payment of
11 producers delivering milk to the same handler of uniform prices
12 for all milk delivered by them.
- 13 a. With respect to regulations establishing a compact over-
14 order price, the Commission may establish one equalization
15 pool within the regulated area for the sole purpose of
16 equalizing returns to producers throughout the regulated
17 area.
- 18 b. With respect to any commission marketing order, as defined
19 in Section 2, subdivision (9), which replaces one or more
20 terminated federal orders or state dairy regulation, the
21 marketing area of now separate state or federal orders shall
22 not be merged without the affirmative consent of each state,
23 voting through its delegation, which is partly or wholly
24 included within any such new marketing area.
- 25 (6) Provisions requiring persons who bring Class I milk into the
26 regulated area to make compensatory payments with respect to all
27 such milk to the extent necessary to equalize the cost of milk
28 purchased by handlers subject to a compact over-order price or
29 commission marketing order. No such provisions shall
30 discriminate against milk producers outside the regulated area.
31 The provisions for compensatory payments may require payment of
32 the difference between the Class I price required to be paid for
33 such milk in the state of production by a federal milk marketing
34 order or state dairy regulation and the Class I price established by
35 the compact over-order price or commission marketing order.
- 36 (7) Provisions specially governing the pricing and pooling of milk
37 handled by partially regulated plants.
- 38 (8) Provisions requiring that the account of any person regulated
39 under the compact over-order price shall be adjusted for any
40 payments made to or received by such persons with respect to a
41 producer settlement fund of any federal or state milk marketing
42 order or other state dairy regulation within the regulated area.

- 1 (9) Provision requiring the payment by handlers of an assessment to
2 cover the costs of the administration and enforcement of such
3 order pursuant to subsection (a) of Section 18 of Article VII.
4 (10) Provisions for reimbursement to participants of the Women, Infants
5 and Children Special Supplemental Food Program of the United
6 States Child Nutrition Act of 1966.
7 (11) Other provisions and requirements as the Commission may find
8 are necessary or appropriate to effectuate the purposes of this
9 compact and to provide for the payment of fair and equitable
10 minimum prices to producers.

11 ARTICLE V. Rule-Making Procedure.

12 "§ 11. Rule-making procedure.

13 Before promulgation of any regulations establishing a compact over-order price or
14 commission marketing order, including any provision with respect to milk supply
15 under subsection (f) of Section 9, or amendment thereof, as provided in Article IV,
16 the Commission shall conduct an informal rule-making proceeding to provide
17 interested persons with an opportunity to present data and views. Such rule-making
18 proceeding shall be governed by Section 4 of the Federal Administrative Procedure
19 Act, as amended (5 U.S.C. § 553). In addition, the Commission shall, to the extent
20 practicable, publish notice of rule-making proceedings in the official register of each
21 participating state. Before the initial adoption of regulations establishing a compact
22 over-order price or a commission marketing order and thereafter before any
23 amendment with regard to prices or assessments, the Commission shall hold a public
24 hearing. The Commission may commence a rule-making proceeding on its own
25 initiative or may in its sole discretion act upon the petition of any person including
26 individual milk producers, any organization of milk producers or handlers, general
27 farm organizations, consumer or public interest groups, and local, state or federal
28 officials.

29 "§ 12. Findings and referendum.

30 (a) In addition to the concise general statement of basis and purpose required by
31 section 4(b) of the Federal Administrative Procedure Act, as amended (5 U.S.C. § 53
32 (c)), the Commission shall make findings of fact with respect to:

- 33 (1) Whether the public interest will be served by the establishment of
34 minimum milk prices to dairy farmers under Article IV.
35 (2) What level of prices will assure that producers receive a price
36 sufficient to cover their costs of production and will elicit an
37 adequate supply of milk for the inhabitants of the regulated area
38 and for manufacturing purposes.
39 (3) Whether the major provisions of the order, other than those fixing
40 minimum milk prices, are in the public interest and are reasonably
41 designed to achieve the purposes of the order.
42 (4) Whether the terms of the proposed regional order or amendment
43 are approved by producers as provided in Section 13.

44 "§ 13. Producer referendum.

(a) For the purpose of ascertaining whether the issuance or amendment of regulations establishing a compact over-order price or a commission marketing order, including any provision with respect to milk supply under subsection (f) of Section 9, is approved by producers, the Commission shall conduct a referendum among producers. The referendum shall be held in a timely manner, as determined by regulation of the Commission. The terms and conditions of the proposed order or amendment shall be described by the Commission in the ballot used in the conduct of the referendum, but the nature, content, or extent of such description shall not be a basis for attacking the legality of the order or any action relating thereto.

(b) An order or amendment shall be deemed approved by producers if the Commission determines that it is approved by at least two-thirds of the voting producers who, during a representative period determined by the Commission, have been engaged in the production of milk the price of which would be regulated under the proposed order or amendment.

(c) For purposes of any referendum, the Commission shall consider the approval or disapproval by any cooperative association of producers, qualified under the provisions of the Act of Congress of February 18, 1922, as amended, known as the Capper-Volstead Act, bona fide engaged in marketing milk, or in rendering services for or advancing the interests of producers of such commodity, as the approval or disapproval of the producers who are members or stockholders in, or under contract with, such cooperative association of producers, except as provided in subdivision (1) of this subsection and subject to the provisions of subdivisions (2) through (5) of this subsection.

(1) No cooperative that has been formed to act as a common marketing agency for both cooperatives and individual producers shall be qualified to block vote for either.

(2) Any cooperative that is qualified to block vote shall, before submitting its approval or disapproval in any referendum, give prior written notice to each of its members as to whether and how it intends to cast its vote. The notice shall be given in a timely manner as established, and in the form prescribed, by the Commission.

(3) Any producer may obtain a ballot from the Commission in order to register approval or disapproval of the proposed order.

(4) A producer who is a member of a cooperative which has provided notice of its intent to approve or not to approve a proposed order, and who obtains a ballot and with such ballot expresses his or her approval or disapproval of the proposed order, shall notify the Commission as to the name of the cooperative of which he or she is a member, and the Commission shall remove such producer's name from the list certified by such cooperative with its corporate vote.

(5) In order to ensure that all milk producers are informed regarding a proposed order, the Commission shall notify all milk producers

1 that an order is being considered and that each producer may
2 register his or her approval or disapproval with the Commission
3 either directly or through his or her cooperative.

4 **"§ 14. Termination of over-order price or marketing order.**

5 (a) The Commission shall terminate any regulations establishing an over-order
6 price or commission marketing order issued under this Article whenever it finds that
7 such order or price obstructs or does not tend to effectuate the declared policy of this
8 compact.

9 (b) The Commission shall terminate any regulations establishing an over-order
10 price or a commission marketing order issued under this Article whenever it finds
11 that such termination is favored by a majority of the producers who, during a
12 representative period determined by the Commission, have been engaged in the
13 production of milk, the price of which is regulated by such order; but such
14 termination shall be effective only if announced on or before such date as may be
15 specified in such marketing agreement or order.

16 (c) The termination or suspension of any order or provision thereof, shall not be
17 considered an order within the meaning of this Article and shall require no hearing,
18 but shall comply with the requirements for informal rule making prescribed by
19 Section 4 of the Federal Administrative Procedure Act, as amended (5 U.S.C. § 553).

20 **ARTICLE VI. Enforcement**

21 **"§ 15. Records, reports, access to premises.**

22 (a) The Commission may by rule and regulation prescribe record keeping and
23 reporting requirements for all regulated persons. For purposes of the administration
24 and enforcement of this compact, the Commission may examine the books and
25 records of any regulated person relating to his or her milk business and for that
26 purpose, the Commission's properly designated officers, employees, or agents shall
27 have full access during normal business hours to the premises and records of all
28 regulated persons.

29 (b) Information furnished to or acquired by the Commission officers, employees,
30 or its agents pursuant to this section shall be confidential and not subject to disclosure
31 except to the extent that the Commission deems disclosure to be necessary in any
32 administrative or judicial proceeding involving the administration or enforcement of
33 this compact, an over-order price, a compact marketing order, or other regulations of
34 the Commission. The Commission may adopt rules further defining the
35 confidentiality of information pursuant to this section. Nothing in this section shall
36 be deemed to prohibit (i) the issuance of general statements based upon the reports
37 of a number of handlers, which do not identify the information furnished by any
38 person, or (ii) the publication by direction of the Commission of the name of any
39 person violating any regulation of the Commission, together with a statement of the
40 particular provisions violated by such person.

41 (c) No officer, employee, or agent of the Commission shall intentionally disclose
42 information, by inference or otherwise, that is made confidential pursuant to this
43 section. Any person violating the provisions of this section shall, upon conviction, be
44 subject to a fine of not more than one thousand dollars (\$1,000) or to imprisonment

1 for not more than one year, or both, and shall be removed from office. The
2 Commission shall refer any allegation of a violation of this section to the appropriate
3 state enforcement authority or United States Attorney.

4 **"§ 16. Subpoena, hearings and judicial review.**

5 (a) The Commission is hereby authorized and empowered by its members and its
6 properly designated officers to administer oaths and issue subpoenas throughout all
7 signatory states to compel the attendance of witnesses and the giving of testimony and
8 the production of other evidence.

9 (b) Any handler subject to an order may file a written petition with the
10 Commission stating that any order or any provision of any such order or any
11 obligation imposed in connection therewith is not in accordance with law and
12 praying for a modification thereof or to be exempted therefrom. The handler shall
13 thereupon be given an opportunity for a hearing upon such petition, in accordance
14 with regulations made by the Commission. After such hearing, the Commission shall
15 make a ruling upon the prayer of such petition which shall be final, if in accordance
16 with law.

17 (c) The district courts of the United States in any district in which the handler is
18 an inhabitant, or has his or her principal place of business, are hereby vested with
19 jurisdiction to review such ruling, provided a complaint for that purpose is filed
20 within 30 days from the date of the entry of the ruling. Service of process in these
21 proceedings may be had upon the Commission by delivering to it a copy of the
22 complaint. If the court determines that the ruling is not in accordance with law, it
23 shall remand such proceedings to the Commission with directions either (i) to make
24 such ruling as the court shall determine to be in accordance with law, or (ii) to take
25 such further proceedings as, in its opinion, the law requires. The pendency of
26 proceedings instituted pursuant to this subdivision shall not impede, hinder, or delay
27 the Commission from obtaining relief pursuant to Section 17. Any proceedings
28 brought pursuant to Section 17, except where brought by way of counterclaim in
29 proceedings instituted pursuant to this section, shall abate whenever a final decree
30 has been rendered in proceedings between the same parties, and covering the same
31 subject matter, instituted pursuant to this section.

32 **"§ 17. Enforcement with respect to handlers.**

33 (a) Any violation by a handler of the provisions of regulation establishing an over-
34 order price or a commission marketing order, or other regulations adopted pursuant
35 to this compact shall:

36 (1) Constitute a violation of the laws of each of the signatory states.
37 Such violation shall render the violator subject to a civil penalty in
38 an amount as may be prescribed by the laws of each of the
39 participating states, recoverable in any state or federal court of
40 competent jurisdiction. Each day such violation continues shall
41 constitute a separate violation.

42 (2) Constitute grounds for the revocation of license or permit to
43 engage in the milk business under the applicable laws of the
44 participating states.

(b) With respect to handlers, the Commission shall enforce the provisions of this compact, regulations establishing an over-order price, a commission marketing order or other regulations adopted hereunder by:

(1) Commencing an action for legal or equitable relief brought in the name of the Commission in any state or federal court of competent jurisdiction; or

(2) Referral to the state agency for enforcement by judicial or administrative remedy with the agreement of the appropriate state agency of a participating state.

(c) With respect to handlers, the Commission may bring an action for injunction to enforce the provisions of this compact or the order or regulations adopted thereunder without being compelled to allege or prove that an adequate remedy of law does not exist.

ARTICLE VII. Finance

"§ 18. Finance of start-up and regular costs.

(a) To provide for its start-up costs, the Commission may borrow money pursuant to its general power under Section 6, subdivision (d), paragraph 4. In order to finance the cost of administration and enforcement of this compact, including payback of start-up costs, the Commission may collect an assessment from each handler who purchases milk from producers within the region. If imposed, this assessment shall be collected on a monthly basis for up to one year from the date the Commission convenes, in an amount not to exceed \$.015 per hundred weight of milk purchased from producers during the period of the assessment. The initial assessment may apply to the projected purchases of handlers for the two-month period following the date the Commission convenes. In addition, if regulations establishing an over-order price or a compact marketing order are adopted, they may include an assessment for the specific purpose of their administration. These regulations shall provide for establishment of a reserve for the Commission's ongoing operating expenses.

(b) The Commission shall not pledge the credit of any participating state or of the United States. Notes issued by the Commission and all other financial obligations incurred by it, shall be its sole responsibility and no participating state or the United States shall be liable therefor.

"§ 19. Audit and accounts.

(a) The Commission shall keep accurate accounts of all receipts and disbursements, which shall be subject to the audit and accounting procedures established under its rules. In addition, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a qualified public accountant and the report of the audit shall be included in and become part of the annual report of the Commission.

(b) The accounts of the Commission shall be open at any reasonable time for inspection by duly constituted officers of the participating states and by any persons authorized by the Commission.

(c) Nothing contained in this Article shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any participating state or of the United States.

ARTICLE VIII. Entry into Force; Additional Members and Withdrawal

"§ 20. Entry into force; additional members.

The compact shall enter into force effective when enacted into law by any three states of the group of states composed of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia and when the consent of Congress has been obtained.

"§ 21. Withdrawal from compact.

Any participating state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until one year after notice in writing of the withdrawal is given to the Commission and the governors of all the participating states. No withdrawal shall affect any liability already incurred by or chargeable to a participating state prior to the time of such withdrawal.

"§ 22. Severability.

If any part or provision of this compact is adjudged invalid by any court, such judgment shall be confined in its operation to the part or provision directly involved in the controversy in which such judgment shall have been rendered and shall not affect or impair the validity of the remainder of this compact. In the event Congress consents to this compact subject to conditions, said conditions shall not impair the validity of this compact when said conditions are accepted by three or more compacting states. A compact state may accept the conditions of Congress by implementation of this compact.

"§ 106-811. Appointment of members to the Southern Dairy Compact Commission.

(a) The delegation from the State of North Carolina to the Southern Dairy Compact Commission, as established in Article IV of the Compact, shall be composed of five members appointed as follows:

- (1) One member representing consumers of milk, appointed by the Governor.
- (2) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives.
- (3) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate.
- (4) Two members appointed by the Commissioner of Agriculture, one of whom shall be a dairy farmer engaged in the production of milk at the time of appointment or reappointment.

(b) Members must be registered to vote in the State.

(c) Members shall serve a term of four years and may be reappointed, but no member shall serve more than three consecutive terms. Members shall serve until their successors are duly appointed. Any appointment to fill an unexpired term shall be for the balance of the unexpired term and shall be made by the appropriate

1 appointing authority. A member may be removed by the appointing authority, in
2 accordance with G.S. 143B-13. The Commissioner of Agriculture shall designate one
3 member of the delegation to serve as chair, at the pleasure of the Commissioner.

4 (d) Members of the delegation shall receive per diem and necessary travel and
5 subsistence expenses in accordance with G.S. 138-5.

6 (e) A majority of the delegation shall constitute a quorum for the transaction of
7 business.

8 (f) All clerical and other services required by the delegation shall be provided by
9 the Commissioner of Agriculture."

10 Section 2. There is appropriated from the General Fund to the Southern
11 Dairy Compact Commission, as established by Article III of the compact, as enacted
12 in Section 1 of this act, the sum of twenty-five thousand dollars (\$25,000) for the
13 1997-98 fiscal year and the sum of twenty-five thousand dollars (\$25,000) for the
14 1998-99 fiscal year to be used by the Commission to conduct its activities pursuant to
15 this act.

16 Section 3. This act becomes effective July 1, 1997.

SOUTHERN DAIRY COMPACT QUESTIONS AND ANSWERS

What is the procedure to enact a Southern Dairy Compact?

Under the Compact Clause (Article 1, section 10, clause 3) of the United States Constitution, an interstate compact must first be adopted as uniform legislation by the compacting states and then approved by Congress. Currently two states, Louisiana and Arkansas have passed state legislation. Thirteen other states are considering legislation (AL, FL, GA, KY, MD, MS, NC, OK, SC, TN, TX, VA & WV). The Southern Dairy Compact requires a minimum of three states to start.

Why a Southern Dairy Compact?

The Southeastern United States is a deficient area for milk production and the problem is getting worse. Because of the deficiency, moving milk across state lines is a necessity and requires pricing adjustments. The Compact would enable southern states to collectively work together to resolve regional marketing and price issues for milk. The Compact would encourage stable pricing and help preserve a local supply of fresh, high quality milk at less cost than imported supplies.

The existing federal program establishes a national policy of minimum farm prices for milk. However, the federal program does not fully account for regional differences in the costs associated with milk production. In recent times, the federally established minimum prices have been unduly low and have imposed great financial stress on southern dairy farmers.

Approximately 85 percent of the southern region's production is

marketed as fluid milk. Increasing consumer demand combined with decreasing milk production is resulting in a greater importation of milk from outside the region. Costs associated with milk importation increase consumer purchasing cost and lower potential producer income. The Compact would encourage stabilized pricing and preserve a local supply of fresh, high quality milk at less cost than alternative supplies.

How Does the Compact Work?

The Compact creates a Commission of delegates from each of the member states. Three to five delegates consisting of producers, processors, and consumers make up the voting body for each state. Each state delegation will be entitled to one vote. Any actions taken will depend on formal testimony about production costs and the impacts on consumers and the marketplace. The Compact must not restrict the interstate commerce of milk.

All actions taken by the Commission require a majority vote. The exceptions are the establishment or termination of an over-order price, and the adoption, amendment, or rescission of the Commission's bylaws which require a two-thirds vote.

N.C. Dairy Industry Review

Production of raw milk in North Carolina averages 12,480,620 gallons per month; about 3.5 million gallons short of current consumption. As of January 1, 1997, there were only 547 commercial dairies in North Carolina, 56 fewer than a year ago and 115 fewer than two years ago. Production declined

about 8% during 1996 and about 5% during 1995. Production in surrounding states is also declining, so alternative supplies are becoming fewer and farther away. They shipped raw milk to North Carolina from 18 different states during 1996 that equated to an estimated loss of 57 million dollars at the farm gate.

Since 1991, five NC dairy processing plants have closed, four since January 1995. To stay viable, the remaining processors must have a dependable local supply of milk.

According to USDA, North Carolina's production is projected to decrease by approximately 15% by the year 2000, and production in surrounding states is projected to decline, with Alabama to drop about 12%, Florida-13%, South Carolina-23%, Tennessee-20%, and Kentucky-19%. The only projected exception is Georgia, up 12%.

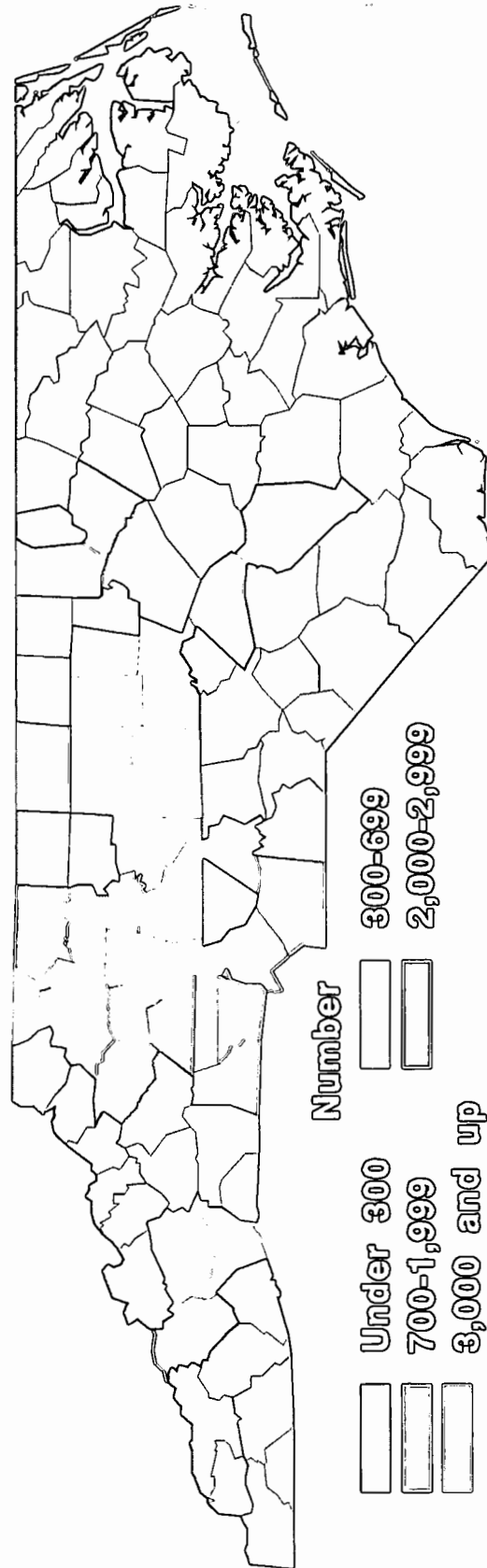
To compound the problem, consumer needs for milk products are increasing. The North Carolina Office of State Planning estimates population growth in North Carolina at 120,000 per year. Fluid milk needs will increase by approximately 260,000 gallons per month, which projects to an additional deficit of 3,120,000 gallons per year.

This all leads to two questions: Where will the dairy plants fill their increased needs for fresh, high quality raw milk and how much will North Carolina consumers be forced to pay to get fluid milk if it is available?

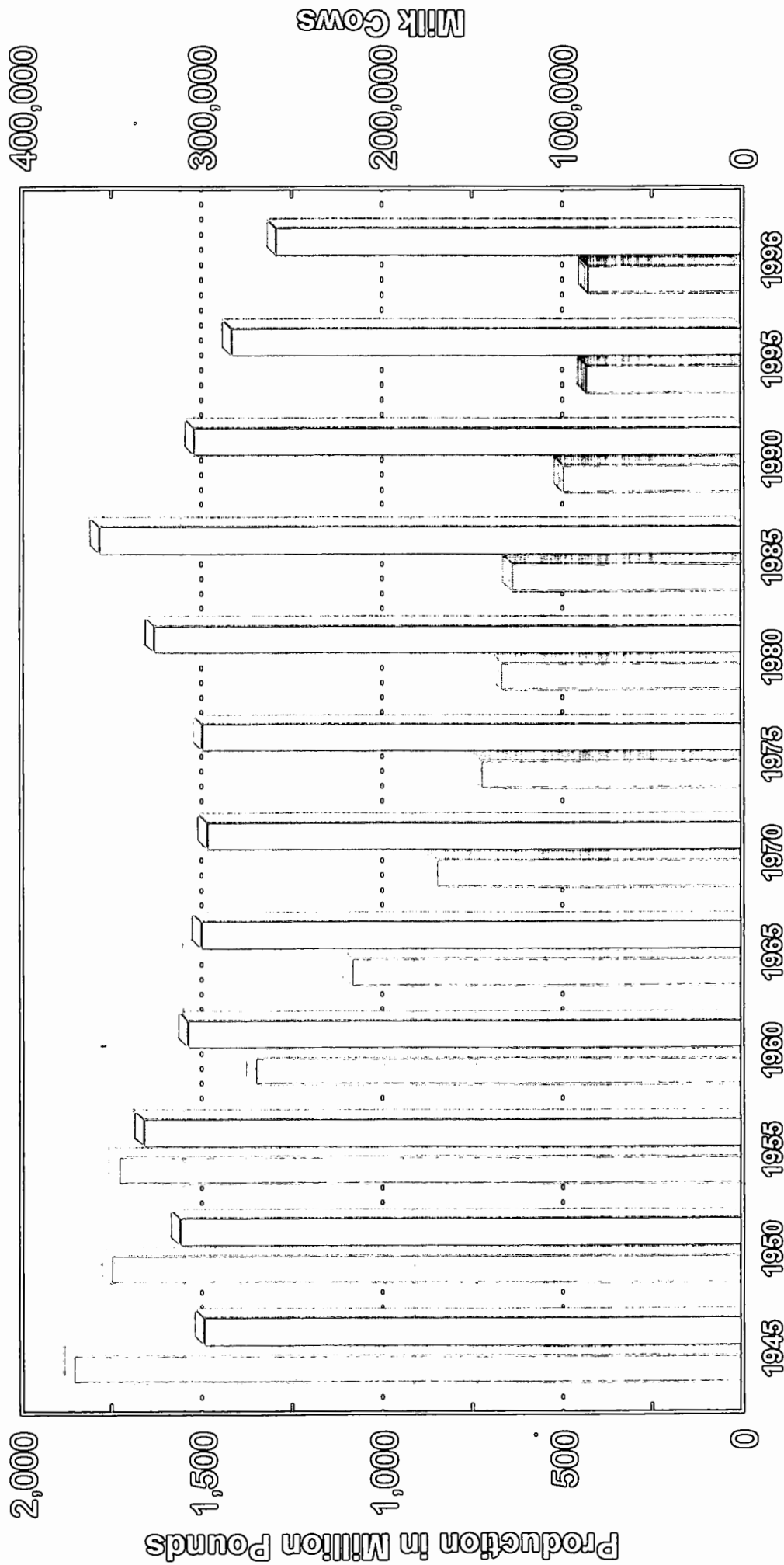
The enactment of a Southern Dairy Compact can resolve these questions.

Milk Cows: Number on Farms, January 1, 1996

LEADING COUNTIES	NUMBER
Iredell	11,500
Randolph	5,500
Alleghany	4,600
Rowan	3,800
Alamance	3,600
Buncombe	3,400
Alexander	3,200
Henderson	3,200
Yadkin	3,200
Orange	3,000



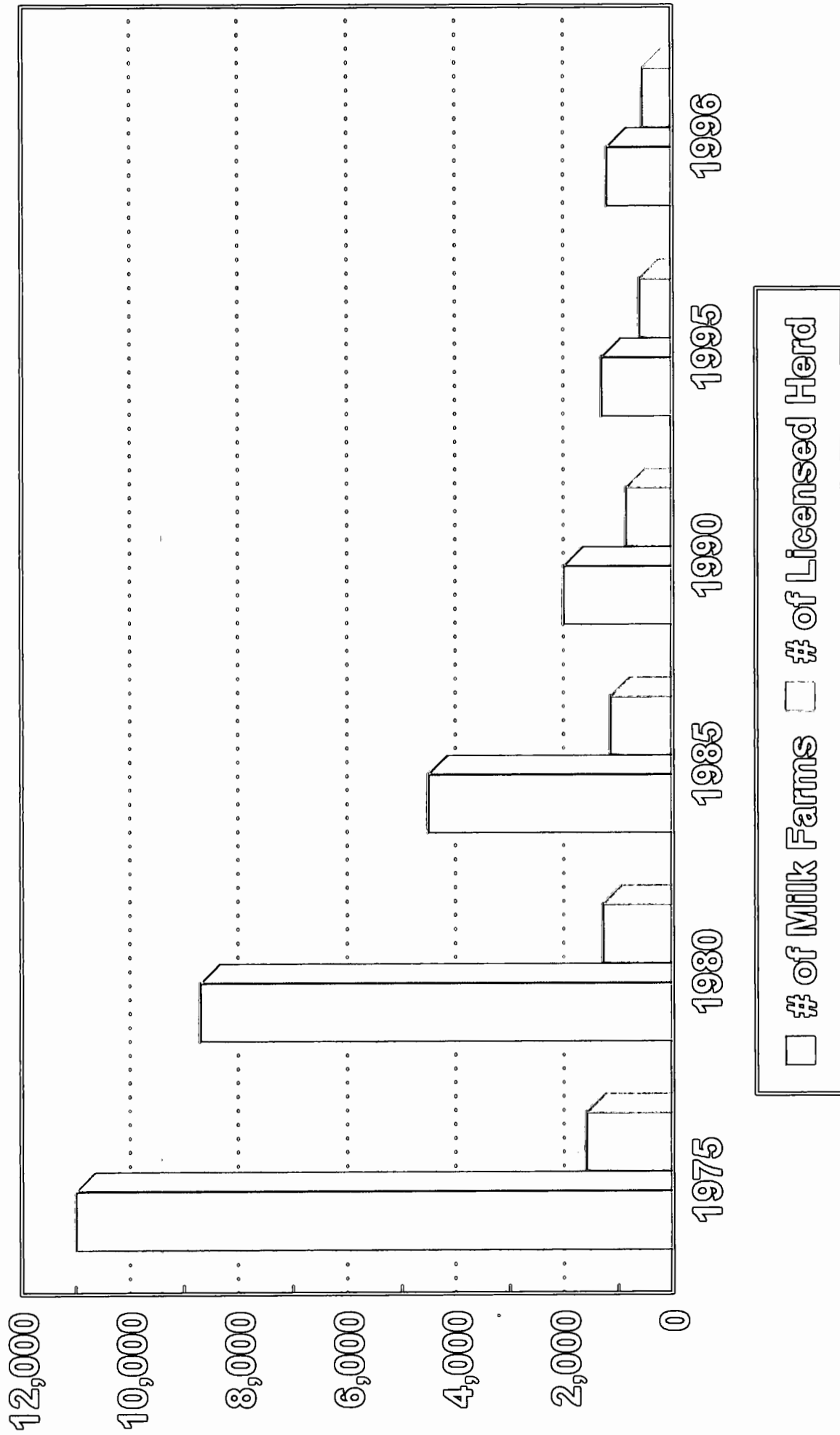
Milk Cow Number and Milk Production



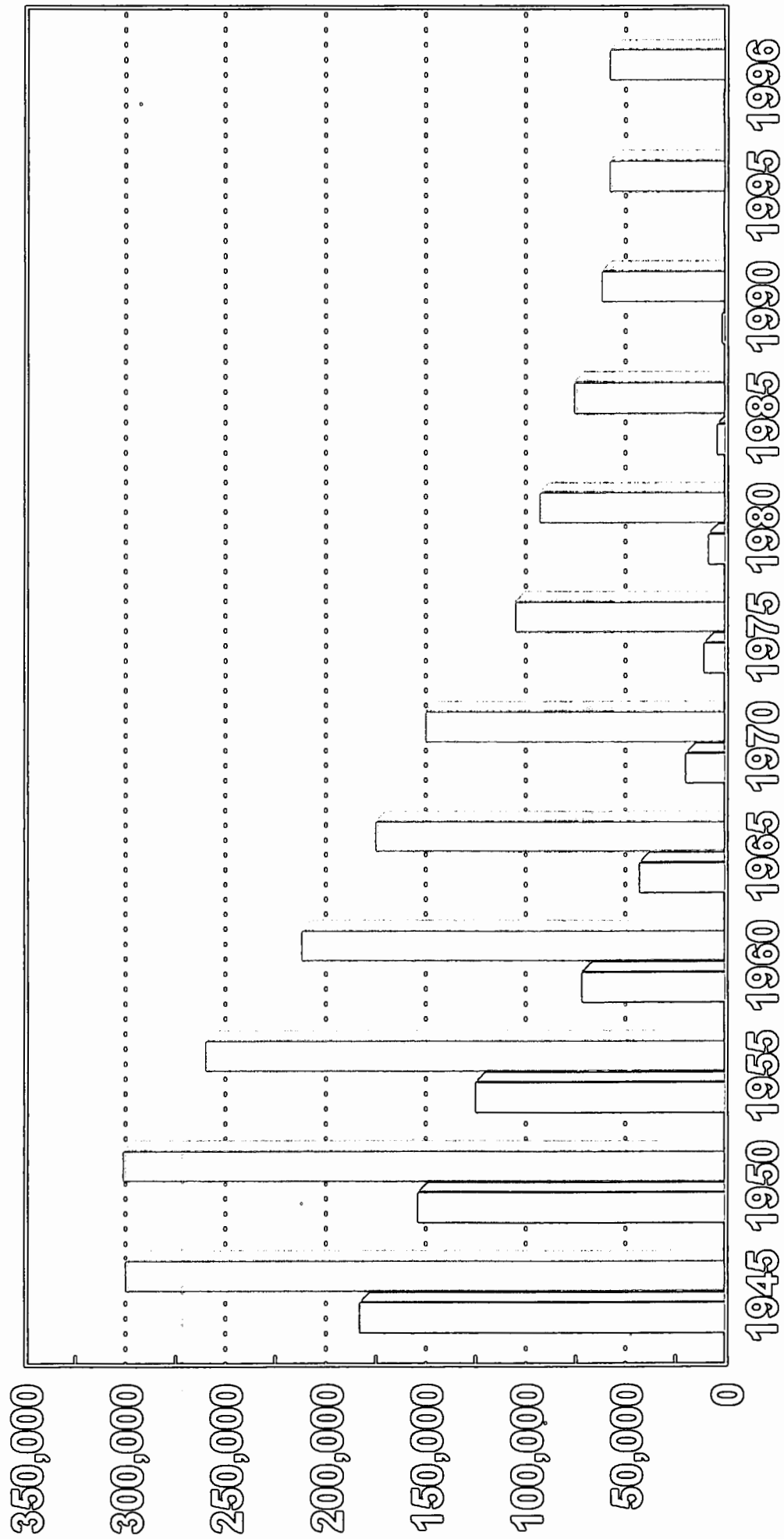
☐ Number of Milk Cows
 ☐ Milk Production

North Carolina Department of Agriculture
 James A. Graham, Commissioner

Number of Milk Farms and Licensed Herds



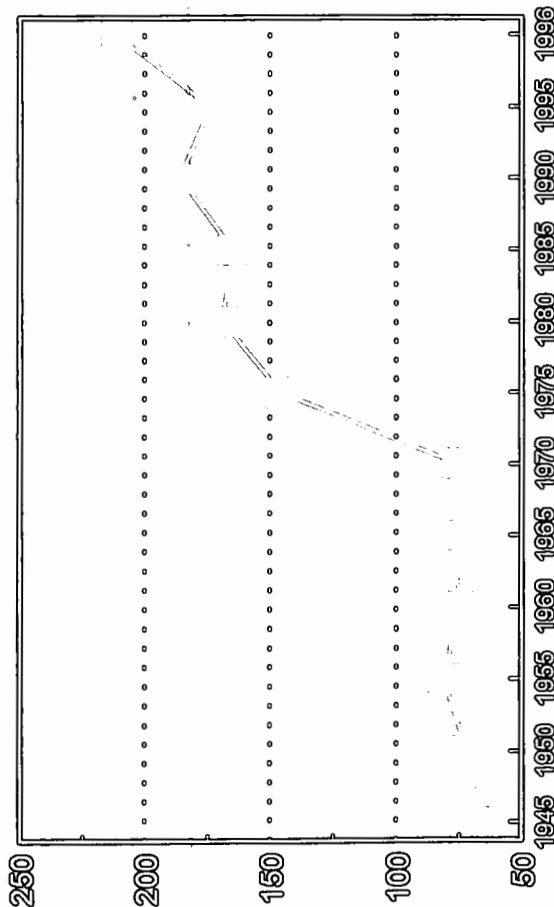
Number of Milk Farms and Number of Farms



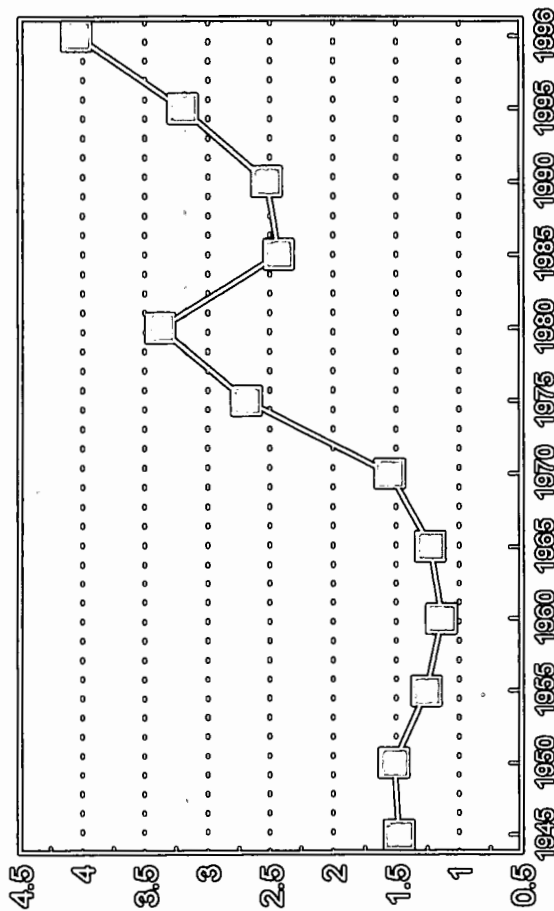
☐ # of Milk Farms ☐ # of Farms

Season Average Price

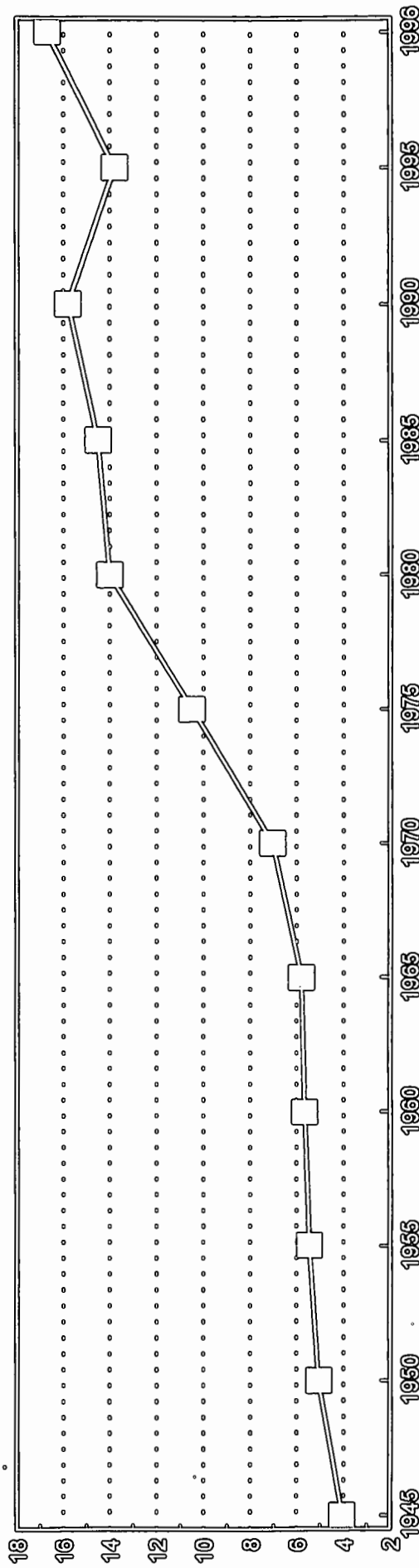
Price Paid 16% Dairy Feed (Dollars/Ton)



Corn Season Average Price (Dollars/Bushel)



Season Average Price Received All Milk



VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE

MAY 20, 1997

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Fred Knott	2132 Hwy 158 Oxford, 27565 (retired)
Chester Lowder	NC Farm Bureau P.O. Box 27766 Raleigh
Jaffrey Bender	Bender Dairy Rt. 2 Box 111 Norlina 27563
H. B. Denkins	N.C. Farm Bureau
Bill Connolly	~~not~~ N.C. Dept of Revenue
John Bailey	NC. Rev.
Juan Broyles	UNC Gen Admin - NCSU Ag Progs
Peter Daniec	NCDFA
De Witt Harder	NCDFA
David McLeod	NCDFA
BECKIE STREET	PPAB
Jan Hardesty	NC Pork Council
Frank T. New	N.C. Agribusiness
DeRoy Jackson	Plant Food Assn of NC
David Meredith	N.C. State Grange
161642 Paper	EDA, PA
Norman Jordan Jr.	NC Dairy Producers Assoc.
M. K. Davis	N.C. Dairy Producers Assoc.
Jim Knight	NC Dept of Ag
Hawk Johnson	Philip Morris
~~John O. Sun Dairy~~	
J. ALLEN ADAMS	LAND-O-SUN Dairy
BILL FARTHING	" " " "
John May	Carolina/Virginia Dairy Producers Association
SAM JOHNSON	ATTY

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: **TUESDAY, MAY 27, 1997**

TIME: **10:00 A.M.**

LOCATION: **ROOM 1425**

The following bills will be considered (Bill # & Short Title):

S.B. 508 - TURKEY GROWER USE VALUE EXCEPTION

H.B. 980 - CROP ALLOTMENT TAX APPRAISAL

H.B. 998 - SOUTHERN DAIRY COMPACT

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
11:00 A.M. on WEDNESDAY, MAY 21, 1997.

____Principal Clerk
____Reading Clerk - House Chamber

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. EDWIN HARDY

OFFICE: ROOM 417A

DATE: THURSDAY, MAY 21, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MAY 27, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #980 - CROP ALLOTMENT TAX APPRAISAL

We would like to have you attend this meeting.

Representative JOHN W. BROWN
Chairman

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. FRANK MITCHELL

OFFICE: ROOM 638

DATE: WEDNESDAY, MAY 21, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MAY 27, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #998 - SOUTHERN DAIRY COMPACT

We would like to have you attend this meeting.

Representative JOHN W. BROWN
Chairman

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: SEN. AARON W. PLYLER

OFFICE: ROOM 627

DATE: WEDNESDAY, MAY 21, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, MAY 27, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

S.B. #508 - TURKEY GROWER USE VALUE EXCEPTION

We would like to have you attend this meeting.

Representative JOHN W. BROWN
Chairman

ANNA KIDD (Committee Clerk)

AGENDA

**HOUSE AGRICULTURE COMMITTEE
TUESDAY, MAY 27, 1997
ROOM 1425
10:00 A.M.**

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

**S.B. #508 - TURKEY GROWER USE VALUE EXCEPTION
SPONSOR SEN. PLYLER**

**H.B. #980 - CROP ALLOTMENT TAX APPRAISAL
SPONSOR REP. EDWIN HARDY**

**H.B. #998 - SOUTHERN DAIRY COMPACT
SPONSOR REP. FRANK MITCHELL**

ANNOUNCEMENTS

ADJOURNMENT



REMINDER

**BE SURE AND REMIND YOUR
REPRESENTATIVE:**

**HOUSE AGRICULTURE COMMITTEE
BREAKFAST**

**WE ARE HAVING BREAKFAST ONCE AGAIN AT THE
FARMERS MARKET RESTAURANT**

**WEDNESDAY, MAY 28, 1997
7:00 A.M.**

**COMPLIMENTS OF
THE NORTH CAROLINA POULTRY
FEDERATION, INC.**

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

MAY 27, 1997
10:00 A.M.

The House Committee on Agriculture met in Room 1425 of the Legislative Building on Tuesday, May 27, 1997 at 10:00 a.m. Representative John W. Brown, Chairman, presided at the meeting with twenty House Members present and six House Members absent.

Chairman Brown introduced the pages serving the Committee and welcomed all guests.

Mr. Brown turned the meeting over to Representative Frank Mitchell to speak on House Bill #998. Representative Mitchell explained that HB #998 entitled: **AN ACT TO ENACT INTO LAW THE SOUTHERN DAIRY COMPACT, TO DIRECT THE APPOINTMENT OF MEMBERS FROM NORTH CAROLINA TO THE SOUTHERN DAIRY COMPACT COMMISSION, AND TO APPROPRIATE FUNDS** will go to Appropriations if given a favorable report by this Committee. Mr. Mitchell had a handout with some questions and answers that might be of some assistance (Attachment I).

At this time, Mr. Mitchell introduced Dr. Jeff Benson with the Department of Agriculture at North Carolina State University who would help answer any questions that the members might have. Dr. Benson stated that the University supported this bill.

Representative Hill stated that he had concerns that this bill might raise the price of milk. Dr. Benson stated that the price of milk was going up because of the lack of dairy farmers and that milk was being brought in from long distances. The price would go up regardless if this legislation passed or not.

Representative Arlie Culp moved for a favorable report and the bill be referred to the Committee on Appropriations. Further discussion followed.

Mr. Sam Johnson spoke for Carolina Virginia Dairy Products Association. He stated that there are important legal issues that have not be resolved. He further stated that the purpose of the Compact is to regulate the price that North Carolina and other southern dairy farmers in the Compact states receive for their product. The Carolina Virginia Dairy Products Association represents the dairy processors in the State and is of the opinion that the Compact will not accomplish the intended purpose but will (a) result in another layer of regulation and expense and (b) be detrimental to North Carolina producers and processors and consumers (Attachment II).

At this time, Chairman Brown recognized Weldon B. Denny, Deputy Commissioner with the North Carolina Department of Agriculture. Mr. Denny stated that the Department is in support of the bill.

Next Chairman Brown asked for a vote on Representative Culp's motion of a favorable report to the bill. The bill was voted upon, given a favorable report and referred to the Committee of Appropriations. There was one NO vote (Representative Aldridge).

Representative Brown turned the meeting over to Senator Aaron Plyler the sponsor for Senate Bill #508. Senator Plyler explained that SB #508 entitled: **AN ACT TO PROVIDE THAT A TURKEY GROWER SHALL NOT BE DISQUALIFIED FROM USE VALUE TAXATION FOR A TWO-YEAR PERIOD IF THE GROWER'S LAND IS TAKEN OUT OF PRODUCTION SOLELY BECAUSE OF THE PRESENCE OF TURKEY DISEASE IN THE AREA** provides turkey producers who must take their land out of production because of disease an exception to the provisions in the General Statutes requiring that agricultural land be disqualified for present use valuation when it ceases to meet the qualifications for present use valuation.

Senator Plyler went on to explain when land is taken out of production, the property becomes taxable at its market value, and the difference between taxes that were due on the present use value basis and those that would have been due on the market value for the preceding three years are immediately payable.

Senate Bill #508 provides that agricultural land in turkey production does not become disqualified if (1) the land was in turkey production within the preceding 2 years; (2) the land was taken out of production because of the presence of Poultry Enteritis Mortality Syndrome in the county or a neighboring county; and (3) the land is otherwise eligible for present use value.

The act is effective for taxes imposed for taxable years beginning on or after July 1, 1997.

Several questions were taken from the floor. Representative Kaiser moved that the bill be given a favorable report. The bill was voted upon, was given a favorable report and referred to the Committee on Finance.

Due to a the House Session at 10:45 a.m. and a Joint Session at 11:00 a.m. in honor of the Honorable Jesse A. Helms, United States Senator, the adjourned at 10:30 a.m.


JOHN W. BROWN, CHAIRMAN


ANNA P. KIDD, CLERK

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 998 A BILL TO BE ENTITLED AN ACT TO ENACT INTO LAW THE
SOUTHERN DAIRY COMPACT, TO DIRECT THE APPOINTMENT OF MEMBERS
FROM NORTH CAROLINA TO THE SOUTHERN DAIRY COMPACT COMMISSION,
AND TO APPROPRIATE FUNDS.

☐ With a favorable report.

☒ With a favorable report and recommendation that the bill be re-referred to the Committee on
☒ Appropriations.

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill #), (and recommendation
that the committee substitute bill #) be re-referred to the Committee on .)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 998*

Short Title: Southern Dairy Compact.

(Public)

Sponsors: Representatives Brown and Mitchell.

Referred to: Agriculture, if favorable, Appropriations.

April 17, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT INTO LAW THE SOUTHERN DAIRY COMPACT, TO
3 DIRECT THE APPOINTMENT OF MEMBERS FROM NORTH CAROLINA
4 TO THE SOUTHERN DAIRY COMPACT COMMISSION, AND TO
5 APPROPRIATE FUNDS.

6 The General Assembly of North Carolina enacts:

7 Section 1. Chapter 106 of the General Statutes is amended by adding a
8 new Article to read:

9 "ARTICLE 68.

10 "Southern Dairy Compact.

11 "§ 106-810. Southern Dairy Compact entered into; form of Compact.

12 The Southern Dairy Compact is enacted into law and entered into with all other
13 jurisdictions legally joining therein in the form substantially as follows:

14 ARTICLE I. Statement of Purpose, Findings, and Declaration of Policy

15 "§ 1. Statement of purpose, findings, and declaration of policy.

16 The purpose of this compact is to recognize the interstate character of the southern
17 dairy industry and the prerogative of the states under the United States Constitution
18 to form an interstate commission for the southern region. The mission of the
19 Commission is to take such steps as are necessary to assure the continued viability of
20 dairy farming in the South, and to assure consumers of an adequate, local supply of
21 pure and wholesome milk.

22 The participating states find and declare that the dairy industry is an essential
23 agricultural activity of the South. Dairy farms, and associated suppliers, marketers,
24 processors, and retailers, are an integral component of the region's economy. Their

1 ability to provide a stable, local supply of pure, wholesome milk is a matter of great
2 importance to the health and welfare of the region.

3 The participating states further find that dairy farms are essential, and they are an
4 integral part of the region's rural communities. The farms preserve land for
5 agricultural purposes and provide needed economic stimuli for rural communities.

6 By entering into this compact, the participating states affirm that their ability to
7 regulate the price that southern dairy farmers receive for their product is essential to
8 the public interest. Assurance of a fair and equitable price for dairy farmers ensures
9 their ability to provide milk to the market and the vitality of the southern dairy
10 industry, with all the associated benefits.

11 Recent dramatic price fluctuations, with a pronounced downward trend, threaten
12 the viability and stability of the southern dairy region. Historically, individual state
13 regulatory action had been an effective emergency remedy available to farmers
14 confronting a distressed market. The system of federal orders, implemented by the
15 Agricultural Marketing Agreement Act of 1937, establishes only minimum prices paid
16 to producers for raw milk, without preempting the power of states to regulate milk
17 prices above the minimum levels so established.

18 In today's regional dairy marketplace, cooperative, rather than individual state
19 action is needed to more effectively address the market disarray. Under our
20 constitutional system, properly authorized states acting cooperatively may exercise
21 more power to regulate interstate commerce than they may assert individually
22 without such authority. For this reason, the participating states invoke their authority
23 to act in common agreement, with the consent of Congress, under the compact clause
24 of the Constitution.

25 In establishing their constitutional regulatory authority over the region's fluid milk
26 market by this compact, the participating states declare their purpose that this
27 compact neither displace the system of federal orders nor encourage the merging of
28 federal orders. Specific provisions of the compact itself set forth this basic principle.

29 Designed as a flexible mechanism able to adjust to changes in a regulated
30 marketplace, the compact also contains a contingency provision should the system of
31 federal orders be discontinued. In that event, the interstate commission may regulate
32 the marketplace in lieu of the system of federal orders. This contingent authority
33 does not anticipate such a change, however, and should not be so construed. It is
34 only provided should developments in the market other than establishment of this
35 compact result in discontinuance of the system of federal orders.

36 ARTICLE II. Definitions and Rules of Construction

37 "§ 2. Definitions.

38 For the purposes of this compact, and of any supplemental or concurring
39 legislation enacted pursuant thereto, except as may be otherwise required by the
40 context:

- 41 (1) 'Class I milk' means milk disposed of in fluid form or as a fluid
42 milk product, subject to further definition in accordance with the
43 principles expressed in subsection (b) of Section 3.

- 1 (2) 'Commission' means the Southern Dairy Compact Commission
2 established by this compact.
- 3 (3) 'Commission marketing order' means regulations adopted by the
4 Commission pursuant to Sections 9 and 10 of this compact in place
5 of a terminated federal marketing order or state dairy regulation.
6 Such order may apply throughout the region or in any part or
7 parts thereof as defined in the regulations of the Commission.
8 Such order may establish minimum prices for any or all classes of
9 milk.
- 10 (4) 'Compact' means this interstate compact.
- 11 (5) 'Compact over-order price' means a minimum price required to be
12 paid to producers for Class I milk established by the Commission
13 in regulations adopted pursuant to Sections 9 and 10 of this
14 compact, which is above the price established in federal marketing
15 orders or by state farm price regulation in the regulated area.
16 Such price may apply throughout the region or in any part or parts
17 thereof as defined in the regulations of the Commission.
- 18 (6) 'Milk' means the lacteal secretion of cows and includes all skim,
19 butterfat, or other constituents obtained from separation or any
20 other process. The term is used in its broadest sense and may be
21 further defined by the Commission for regulatory purposes.
- 22 (7) 'Partially regulated plant' means a milk plant not located in a
23 regulated area but having Class I distribution within such area.
24 Commission regulations may exempt plants having such
25 distribution or receipts in amounts less than the limits defined
26 therein.
- 27 (8) 'Participating state' means a state which has become a party to this
28 compact by the enactment of concurring legislation.
- 29 (9) 'Pool plant' means any milk plant located in a regulated area.
- 30 (10) 'Region' means the territorial limits of the states which are parties
31 to this compact.
- 32 (11) 'Regulated area' means any area within the region governed by
33 and defined in regulations establishing a compact over-order price
34 or commission marketing order.
- 35 (12) 'State dairy regulation' means any state regulation of dairy prices
36 and associated assessments, whether by statute, marketing order, or
37 otherwise.

38 **"§ 3. Rules of construction.**

39 (a) This compact shall not be construed to displace existing federal milk
40 marketing orders or state dairy regulation in the region but to supplement them. In
41 the event some or all federal orders in the region are discontinued, the compact shall
42 be construed to provide the Commission the option to replace them with one or
43 more commission marketing orders pursuant to this compact.

1 (b) This compact shall be construed liberally in order to achieve the purposes and
2 intent enunciated in Section 1. It is the intent of this compact to establish a basic
3 structure by which the Commission may achieve those purposes through the
4 application, adaptation, and development of the regulatory techniques historically
5 associated with milk marketing and to afford the Commission broad flexibility to
6 devise regulatory mechanisms to achieve the purposes of this compact. In accordance
7 with this intent, the technical terms which are associated with market order
8 regulation and which have acquired commonly understood general meanings are not
9 defined herein but the Commission may further define the terms used in this compact
10 and develop additional concepts and define additional terms as it may find
11 appropriate to achieve its purposes.

12 ARTICLE III. Commission Established

13 "§ 4. Commission established.

14 There is hereby created a commission to administer the compact, composed of
15 delegations from each state in the region. The Commission shall be known as the
16 Southern Dairy Compact Commission. A delegation shall include not less than three
17 nor more than five persons. Each delegation shall include at least one dairy farmer
18 who is engaged in the production of milk at the time of appointment or
19 reappointment, and one consumer representative. Delegation members shall be
20 residents and voters of, and subject to such confirmation process as is provided for in,
21 the appointing state. Delegation members shall serve no more than three consecutive
22 terms with no single term of more than four years, and be subject to removal for
23 cause. In all other respects, delegation members shall serve in accordance with the
24 laws of the state represented. The compensation, if any, of the members of a state
25 delegation shall be determined and paid by each state, but their expenses shall be
26 paid by the Commission.

27 "§ 5. Voting requirements.

28 All actions taken by the Commission, except for the establishment or termination
29 of an over-order price or commission marketing order, and the adoption, amendment,
30 or rescission of the Commission's bylaws, shall be by majority vote of the delegations
31 present. Each state delegation shall be entitled to one vote in the conduct of the
32 Commission's affairs. Establishment or termination of an over-order price or
33 commission marketing order shall require at least a two-thirds vote of the delegations
34 present. The establishment of a regulated area that covers all or part of a
35 participating state shall require also the affirmative vote of that state's delegation. A
36 majority of the delegations from the participating states shall constitute a quorum for
37 the conduct of the Commission's business.

38 "§ 6. Administration and management.

39 (a) The Commission shall elect annually from among the members of the
40 participating state delegations a chairperson, a vice-chairperson, and a treasurer. The
41 Commission shall appoint an executive director and fix his or her duties and
42 compensation. The executive director shall serve at the pleasure of the Commission,
43 and, together with the treasurer, shall be bonded in an amount determined by the

1 Commission. The Commission may establish through its bylaws an executive
2 committee composed of one member elected by each delegation.

3 (b) The Commission shall adopt bylaws for the conduct of its business by a two-
4 thirds vote and shall have the power by the same vote to amend and rescind these
5 bylaws. The Commission shall publish its bylaws in convenient form with the
6 appropriate agency or officer in each of the participating states. The bylaws shall
7 provide for appropriate notice to the delegations of all Commission meetings and
8 hearings and of the business to be transacted at such meetings or hearings. Notice
9 also shall be given to other agencies or officers of participating states as provided by
10 the laws of those states.

11 (c) The Commission shall file an annual report with the Secretary of Agriculture
12 of the United States, and with each of the participating states by submitting copies to
13 the Governor, both houses of the legislature, and the head of the state department
14 having responsibilities for agriculture.

15 (d) In addition to the powers and duties elsewhere prescribed in this compact, the
16 Commission may engage in all of the following:

17 (1) Sue and be sued in any state or federal court.

18 (2) Have a seal and alter the same at pleasure.

19 (3) Acquire, hold, and dispose of real and personal property by gift,
20 purchase, lease, license, or other similar manner, for its corporate
21 purposes.

22 (4) Borrow money and to issue notes, to provide for the rights of the
23 holders thereof, and to pledge the revenue of the Commission as
24 security therefor, subject to the provisions of Section 18 of this
25 compact.

26 (5) Appoint such officers, agents, and employees as it may deem
27 necessary, prescribe their powers, duties, and qualifications.

28 (6) Create and abolish such offices, employments, and positions as it
29 deems necessary for the purposes of the compact and provide for
30 the removal, term, tenure, compensation, fringe benefits, pension,
31 and retirement rights of its officers and employees.

32 (7) Retain personal services on a contract basis.

33 "§ 7. Rule-making power.

34 In addition to the power to promulgate a compact over-order price or commission
35 marketing orders as provided by this compact, the Commission is further empowered
36 to make and enforce such additional rules and regulations as it deems necessary to
37 implement any provisions of this compact, or to effectuate in any other respect the
38 purposes of this compact.

39 ARTICLE IV. Powers of the Commission

40 "§ 8. Powers to promote regulatory uniformity, simplicity, and interstate cooperation.

41 The Commission may:

42 (1) Investigate or provide for investigations or research projects
43 designed to review the existing laws and regulations of the
44 participating states, to consider their administration and costs, to

1 measure their impact on the production and marketing of milk and
2 their effects on the shipment of milk and milk products within the
3 region.

4 (2) Study and recommend to the participating states joint or
5 cooperative programs for the administration of the dairy marketing
6 laws and regulations and to prepare estimates of cost savings and
7 benefits of such programs.

8 (3) Encourage the harmonious relationships between the various
9 elements in the industry for the solution of their material problems.
10 Conduct symposia or conferences designed to improve industry
11 relations, or a better understanding of problems.

12 (4) Prepare and release periodic reports on activities and results of the
13 Commission's efforts to the participating states.

14 (5) Review the existing marketing system for milk and milk products
15 and recommend changes in the existing structure for assembly and
16 distribution of milk which may assist, improve, or promote more
17 efficient assembly and distribution of milk.

18 (6) Investigate costs and charges for producing, hauling, handling,
19 processing, distributing, selling, and for all other services,
20 performed with respect to milk.

21 (7) Examine current economic forces affecting producers, probable
22 trends in production and consumption, the level of dairy farm
23 prices in relation to costs, the financial conditions of dairy farmers,
24 and the need for an emergency order to relieve critical conditions
25 on dairy farms.

26 **"§ 9. Equitable farm prices.**

27 (a) The powers granted in this section and Section 10 shall apply only to the
28 establishment of a compact over-order price, so long as federal milk marketing orders
29 remain in effect in the region. In the event that any or all such orders are
30 terminated, this Article authorizes the Commission to establish one or more
31 commission marketing orders, as herein provided, in the region or parts thereof as
32 defined in the order.

33 (b) A compact over-order price established pursuant to this section shall apply
34 only to Class I milk. Such compact over-order price shall not exceed one dollar and
35 fifty cents (\$1.50) per gallon at Atlanta, Georgia, however, this compact over-order
36 price shall be adjusted upward or downward at other locations in the region to reflect
37 differences in minimum federal order prices. Beginning in 1990, and using that year
38 as a base, the foregoing one dollar and fifty cents (\$1.50) per gallon maximum shall
39 be adjusted annually by the rate of change in the Consumer Price Index as reported
40 by the Bureau of Labor Statistics of the United States Department of Labor. For
41 purposes of the pooling and equalization of an over-order price, the value of milk
42 used in other use classifications shall be calculated at the appropriate class price
43 established pursuant to the applicable federal order or state dairy regulation and the
44 value of unregulated milk shall be calculated in relation to the nearest prevailing

1 class price in accordance with and subject to such adjustments as the Commission
2 may prescribe in regulations.

3 (c) A commission marketing order shall apply to all classes and uses of milk.

4 (d) The Commission may establish a compact over-order price for milk to be paid
5 by pool plants and partially regulated plants. The Commission also may establish a
6 compact over-order price to be paid by all other handlers receiving milk from
7 producers located in a regulated area. This price shall be established either as a
8 compact over-order price or by one or more commission marketing orders.
9 Whenever such a price has been established by either type of regulation, the legal
10 obligation to pay such price shall be determined solely by the terms and purpose of
11 the regulation without regard to the situs of the transfer of title, possession, or any
12 other factors not related to the purposes of the regulation and this compact.
13 Producer-handlers as defined in an applicable federal market order shall not be
14 subject to a compact over-order price. The Commission shall provide for similar
15 treatment of producer-handlers under commission marketing orders.

16 (e) In determining the price, the Commission shall consider the balance between
17 production and consumption of milk and milk products in the regulated area, the
18 costs of production including, but not limited to, the price of feed, the cost of labor
19 including the reasonable value of the producer's own labor and management,
20 machinery expense and interest expense, the prevailing price for milk outside the
21 regulated area, the purchasing power of the public, and the price necessary to yield a
22 reasonable return to the producer and distributor.

23 (f) When establishing a compact over-order price, the Commission shall take such
24 other action as is necessary and feasible to help ensure that the over-order price does
25 not cause or compensate producers so as to generate local production of milk in
26 excess of those quantities necessary to assure consumers of an adequate supply for
27 fluid purposes.

28 (g) The Commission shall whenever possible enter into agreements with state or
29 federal agencies for exchange of information or services for the purpose of reducing
30 regulatory burden and cost of administering the compact. The Commission may
31 reimburse other agencies for the reasonable cost of providing these services.

32 **"§ 10. Optional provisions for pricing order.**

33 Regulations establishing a compact over-order price or a commission marketing
34 order may contain, but shall not be limited to, any of the following:

35 (1) Provisions classifying milk in accordance with the form in which or
36 purpose for which it is used, or creating a flat pricing program.

37 (2) With respect to a commission marketing order only, provisions
38 establishing or providing a method for establishing separate
39 minimum prices for each use classification prescribed by the
40 Commission, or a single minimum price for milk purchased from
41 producers or associations of producers.

42 (3) With respect to an over-order minimum price, provisions
43 establishing or providing a method for establishing such minimum
44 price for Class I milk.

- 1 (4) Provisions for establishing either an over-order price or a
2 commission marketing order may make use of any reasonable
3 method for establishing such price or prices including flat pricing
4 and formula pricing. Provision may also be made for location
5 adjustments, zone differentials, and competitive credits with respect
6 to regulated handlers who market outside the regulated area.
- 7 (5) Provisions for the payment to all producers and associations of
8 producers delivering milk to all handlers of uniform prices for all
9 milk so delivered, irrespective of the uses made of such milk by the
10 individual handler to whom it is delivered, or for the payment of
11 producers delivering milk to the same handler of uniform prices
12 for all milk delivered by them.
- 13 a. With respect to regulations establishing a compact over-
14 order price, the Commission may establish one equalization
15 pool within the regulated area for the sole purpose of
16 equalizing returns to producers throughout the regulated
17 area.
- 18 b. With respect to any commission marketing order, as defined
19 in Section 2, subdivision (9), which replaces one or more
20 terminated federal orders or state dairy regulation, the
21 marketing area of now separate state or federal orders shall
22 not be merged without the affirmative consent of each state,
23 voting through its delegation, which is partly or wholly
24 included within any such new marketing area.
- 25 (6) Provisions requiring persons who bring Class I milk into the
26 regulated area to make compensatory payments with respect to all
27 such milk to the extent necessary to equalize the cost of milk
28 purchased by handlers subject to a compact over-order price or
29 commission marketing order. No such provisions shall
30 discriminate against milk producers outside the regulated area.
31 The provisions for compensatory payments may require payment of
32 the difference between the Class I price required to be paid for
33 such milk in the state of production by a federal milk marketing
34 order or state dairy regulation and the Class I price established by
35 the compact over-order price or commission marketing order.
- 36 (7) Provisions specially governing the pricing and pooling of milk
37 handled by partially regulated plants.
- 38 (8) Provisions requiring that the account of any person regulated
39 under the compact over-order price shall be adjusted for any
40 payments made to or received by such persons with respect to a
41 producer settlement fund of any federal or state milk marketing
42 order or other state dairy regulation within the regulated area.

- 1 (9) Provision requiring the payment by handlers of an assessment to
2 cover the costs of the administration and enforcement of such
3 order pursuant to subsection (a) of Section 18 of Article VII.
4 (10) Provisions for reimbursement to participants of the Women, Infants
5 and Children Special Supplemental Food Program of the United
6 States Child Nutrition Act of 1966.
7 (11) Other provisions and requirements as the Commission may find
8 are necessary or appropriate to effectuate the purposes of this
9 compact and to provide for the payment of fair and equitable
10 minimum prices to producers.

11 ARTICLE V. Rule-Making Procedure.

12 "§ 11. Rule-making procedure.

13 Before promulgation of any regulations establishing a compact over-order price or
14 commission marketing order, including any provision with respect to milk supply
15 under subsection (f) of Section 9, or amendment thereof, as provided in Article IV,
16 the Commission shall conduct an informal rule-making proceeding to provide
17 interested persons with an opportunity to present data and views. Such rule-making
18 proceeding shall be governed by Section 4 of the Federal Administrative Procedure
19 Act, as amended (5 U.S.C. § 553). In addition, the Commission shall, to the extent
20 practicable, publish notice of rule-making proceedings in the official register of each
21 participating state. Before the initial adoption of regulations establishing a compact
22 over-order price or a commission marketing order and thereafter before any
23 amendment with regard to prices or assessments, the Commission shall hold a public
24 hearing. The Commission may commence a rule-making proceeding on its own
25 initiative or may in its sole discretion act upon the petition of any person including
26 individual milk producers, any organization of milk producers or handlers, general
27 farm organizations, consumer or public interest groups, and local, state or federal
28 officials.

29 "§ 12. Findings and referendum.

30 (a) In addition to the concise general statement of basis and purpose required by
31 section 4(b) of the Federal Administrative Procedure Act, as amended (5 U.S.C. § 53
32 (c)), the Commission shall make findings of fact with respect to:

- 33 (1) Whether the public interest will be served by the establishment of
34 minimum milk prices to dairy farmers under Article IV.
35 (2) What level of prices will assure that producers receive a price
36 sufficient to cover their costs of production and will elicit an
37 adequate supply of milk for the inhabitants of the regulated area
38 and for manufacturing purposes.
39 (3) Whether the major provisions of the order, other than those fixing
40 minimum milk prices, are in the public interest and are reasonably
41 designed to achieve the purposes of the order.
42 (4) Whether the terms of the proposed regional order or amendment
43 are approved by producers as provided in Section 13.

44 "§ 13. Producer referendum.

(a) For the purpose of ascertaining whether the issuance or amendment of regulations establishing a compact over-order price or a commission marketing order, including any provision with respect to milk supply under subsection (f) of Section 9, is approved by producers, the Commission shall conduct a referendum among producers. The referendum shall be held in a timely manner, as determined by regulation of the Commission. The terms and conditions of the proposed order or amendment shall be described by the Commission in the ballot used in the conduct of the referendum, but the nature, content, or extent of such description shall not be a basis for attacking the legality of the order or any action relating thereto.

(b) An order or amendment shall be deemed approved by producers if the Commission determines that it is approved by at least two-thirds of the voting producers who, during a representative period determined by the Commission, have been engaged in the production of milk the price of which would be regulated under the proposed order or amendment.

(c) For purposes of any referendum, the Commission shall consider the approval or disapproval by any cooperative association of producers, qualified under the provisions of the Act of Congress of February 18, 1922, as amended, known as the Capper-Volstead Act, bona fide engaged in marketing milk, or in rendering services for or advancing the interests of producers of such commodity, as the approval or disapproval of the producers who are members or stockholders in, or under contract with, such cooperative association of producers, except as provided in subdivision (1) of this subsection and subject to the provisions of subdivisions (2) through (5) of this subsection.

(1) No cooperative that has been formed to act as a common marketing agency for both cooperatives and individual producers shall be qualified to block vote for either.

(2) Any cooperative that is qualified to block vote shall, before submitting its approval or disapproval in any referendum, give prior written notice to each of its members as to whether and how it intends to cast its vote. The notice shall be given in a timely manner as established, and in the form prescribed, by the Commission.

(3) Any producer may obtain a ballot from the Commission in order to register approval or disapproval of the proposed order.

(4) A producer who is a member of a cooperative which has provided notice of its intent to approve or not to approve a proposed order, and who obtains a ballot and with such ballot expresses his or her approval or disapproval of the proposed order, shall notify the Commission as to the name of the cooperative of which he or she is a member, and the Commission shall remove such producer's name from the list certified by such cooperative with its corporate vote.

(5) In order to ensure that all milk producers are informed regarding a proposed order, the Commission shall notify all milk producers

1 that an order is being considered and that each producer may
2 register his or her approval or disapproval with the Commission
3 either directly or through his or her cooperative.

4 "§ 14. Termination of over-order price or marketing order.

5 (a) The Commission shall terminate any regulations establishing an over-order
6 price or commission marketing order issued under this Article whenever it finds that
7 such order or price obstructs or does not tend to effectuate the declared policy of this
8 compact.

9 (b) The Commission shall terminate any regulations establishing an over-order
10 price or a commission marketing order issued under this Article whenever it finds
11 that such termination is favored by a majority of the producers who, during a
12 representative period determined by the Commission, have been engaged in the
13 production of milk, the price of which is regulated by such order; but such
14 termination shall be effective only if announced on or before such date as may be
15 specified in such marketing agreement or order.

16 (c) The termination or suspension of any order or provision thereof, shall not be
17 considered an order within the meaning of this Article and shall require no hearing,
18 but shall comply with the requirements for informal rule making prescribed by
19 Section 4 of the Federal Administrative Procedure Act, as amended (5 U.S.C. § 553).

20 ARTICLE VI. Enforcement

21 "§ 15. Records, reports, access to premises.

22 (a) The Commission may by rule and regulation prescribe record keeping and
23 reporting requirements for all regulated persons. For purposes of the administration
24 and enforcement of this compact, the Commission may examine the books and
25 records of any regulated person relating to his or her milk business and for that
26 purpose, the Commission's properly designated officers, employees, or agents shall
27 have full access during normal business hours to the premises and records of all
28 regulated persons.

29 (b) Information furnished to or acquired by the Commission officers, employees,
30 or its agents pursuant to this section shall be confidential and not subject to disclosure
31 except to the extent that the Commission deems disclosure to be necessary in any
32 administrative or judicial proceeding involving the administration or enforcement of
33 this compact, an over-order price, a compact marketing order, or other regulations of
34 the Commission. The Commission may adopt rules further defining the
35 confidentiality of information pursuant to this section. Nothing in this section shall
36 be deemed to prohibit (i) the issuance of general statements based upon the reports
37 of a number of handlers, which do not identify the information furnished by any
38 person, or (ii) the publication by direction of the Commission of the name of any
39 person violating any regulation of the Commission, together with a statement of the
40 particular provisions violated by such person.

41 (c) No officer, employee, or agent of the Commission shall intentionally disclose
42 information, by inference or otherwise, that is made confidential pursuant to this
43 section. Any person violating the provisions of this section shall, upon conviction, be
44 subject to a fine of not more than one thousand dollars (\$1,000) or to imprisonment

1 for not more than one year, or both, and shall be removed from office. The
2 Commission shall refer any allegation of a violation of this section to the appropriate
3 state enforcement authority or United States Attorney.

4 "§ 16. Subpoena, hearings and judicial review.

5 (a) The Commission is hereby authorized and empowered by its members and its
6 properly designated officers to administer oaths and issue subpoenas throughout all
7 signatory states to compel the attendance of witnesses and the giving of testimony and
8 the production of other evidence.

9 (b) Any handler subject to an order may file a written petition with the
10 Commission stating that any order or any provision of any such order or any
11 obligation imposed in connection therewith is not in accordance with law and
12 praying for a modification thereof or to be exempted therefrom. The handler shall
13 thereupon be given an opportunity for a hearing upon such petition, in accordance
14 with regulations made by the Commission. After such hearing, the Commission shall
15 make a ruling upon the prayer of such petition which shall be final, if in accordance
16 with law.

17 (c) The district courts of the United States in any district in which the handler is
18 an inhabitant, or has his or her principal place of business, are hereby vested with
19 jurisdiction to review such ruling, provided a complaint for that purpose is filed
20 within 30 days from the date of the entry of the ruling. Service of process in these
21 proceedings may be had upon the Commission by delivering to it a copy of the
22 complaint. If the court determines that the ruling is not in accordance with law, it
23 shall remand such proceedings to the Commission with directions either (i) to make
24 such ruling as the court shall determine to be in accordance with law, or (ii) to take
25 such further proceedings as, in its opinion, the law requires. The pendency of
26 proceedings instituted pursuant to this subdivision shall not impede, hinder, or delay
27 the Commission from obtaining relief pursuant to Section 17. Any proceedings
28 brought pursuant to Section 17, except where brought by way of counterclaim in
29 proceedings instituted pursuant to this section, shall abate whenever a final decree
30 has been rendered in proceedings between the same parties, and covering the same
31 subject matter, instituted pursuant to this section.

32 "§ 17. Enforcement with respect to handlers.

33 (a) Any violation by a handler of the provisions of regulation establishing an over-
34 order price or a commission marketing order, or other regulations adopted pursuant
35 to this compact shall:

36 (1) Constitute a violation of the laws of each of the signatory states.
37 Such violation shall render the violator subject to a civil penalty in
38 an amount as may be prescribed by the laws of each of the
39 participating states, recoverable in any state or federal court of
40 competent jurisdiction. Each day such violation continues shall
41 constitute a separate violation.

42 (2) Constitute grounds for the revocation of license or permit to
43 engage in the milk business under the applicable laws of the
44 participating states.

(b) With respect to handlers, the Commission shall enforce the provisions of this compact, regulations establishing an over-order price, a commission marketing order or other regulations adopted hereunder by:

(1) Commencing an action for legal or equitable relief brought in the name of the Commission in any state or federal court of competent jurisdiction; or

(2) Referral to the state agency for enforcement by judicial or administrative remedy with the agreement of the appropriate state agency of a participating state.

(c) With respect to handlers, the Commission may bring an action for injunction to enforce the provisions of this compact or the order or regulations adopted thereunder without being compelled to allege or prove that an adequate remedy of law does not exist.

ARTICLE VII. Finance

"§ 18. Finance of start-up and regular costs.

(a) To provide for its start-up costs, the Commission may borrow money pursuant to its general power under Section 6, subdivision (d), paragraph 4. In order to finance the cost of administration and enforcement of this compact, including payback of start-up costs, the Commission may collect an assessment from each handler who purchases milk from producers within the region. If imposed, this assessment shall be collected on a monthly basis for up to one year from the date the Commission convenes, in an amount not to exceed \$.015 per hundred weight of milk purchased from producers during the period of the assessment. The initial assessment may apply to the projected purchases of handlers for the two-month period following the date the Commission convenes. In addition, if regulations establishing an over-order price or a compact marketing order are adopted, they may include an assessment for the specific purpose of their administration. These regulations shall provide for establishment of a reserve for the Commission's ongoing operating expenses.

(b) The Commission shall not pledge the credit of any participating state or of the United States. Notes issued by the Commission and all other financial obligations incurred by it, shall be its sole responsibility and no participating state or the United States shall be liable therefor.

"§ 19. Audit and accounts.

(a) The Commission shall keep accurate accounts of all receipts and disbursements, which shall be subject to the audit and accounting procedures established under its rules. In addition, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a qualified public accountant and the report of the audit shall be included in and become part of the annual report of the Commission.

(b) The accounts of the Commission shall be open at any reasonable time for inspection by duly constituted officers of the participating states and by any persons authorized by the Commission.

(c) Nothing contained in this Article shall be construed to prevent commission compliance with laws relating to audit or inspection of accounts by or on behalf of any participating state or of the United States.

ARTICLE VIII. Entry into Force; Additional Members and Withdrawal

"§ 20. Entry into force; additional members.

The compact shall enter into force effective when enacted into law by any three states of the group of states composed of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia and when the consent of Congress has been obtained.

"§ 21. Withdrawal from compact.

Any participating state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until one year after notice in writing of the withdrawal is given to the Commission and the governors of all the participating states. No withdrawal shall affect any liability already incurred by or chargeable to a participating state prior to the time of such withdrawal.

"§ 22. Severability.

If any part or provision of this compact is adjudged invalid by any court, such judgment shall be confined in its operation to the part or provision directly involved in the controversy in which such judgment shall have been rendered and shall not affect or impair the validity of the remainder of this compact. In the event Congress consents to this compact subject to conditions, said conditions shall not impair the validity of this compact when said conditions are accepted by three or more compacting states. A compact state may accept the conditions of Congress by implementation of this compact.

"§ 106-811. Appointment of members to the Southern Dairy Compact Commission.

(a) The delegation from the State of North Carolina to the Southern Dairy Compact Commission, as established in Article IV of the Compact, shall be composed of five members appointed as follows:

- (1) One member representing consumers of milk, appointed by the Governor.
- (2) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives.
- (3) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate.
- (4) Two members appointed by the Commissioner of Agriculture, one of whom shall be a dairy farmer engaged in the production of milk at the time of appointment or reappointment.

(b) Members must be registered to vote in the State.

(c) Members shall serve a term of four years and may be reappointed, but no member shall serve more than three consecutive terms. Members shall serve until their successors are duly appointed. Any appointment to fill an unexpired term shall be for the balance of the unexpired term and shall be made by the appropriate

1 appointing authority. A member may be removed by the appointing authority, in
2 accordance with G.S. 143B-13. The Commissioner of Agriculture shall designate one
3 member of the delegation to serve as chair, at the pleasure of the Commissioner.

4 (d) Members of the delegation shall receive per diem and necessary travel and
5 subsistence expenses in accordance with G.S. 138-5.

6 (e) A majority of the delegation shall constitute a quorum for the transaction of
7 business.

8 (f) All clerical and other services required by the delegation shall be provided by
9 the Commissioner of Agriculture."

10 Section 2. There is appropriated from the General Fund to the Southern
11 Dairy Compact Commission, as established by Article III of the compact, as enacted
12 in Section 1 of this act, the sum of twenty-five thousand dollars (\$25,000) for the
13 1997-98 fiscal year and the sum of twenty-five thousand dollars (\$25,000) for the
14 1998-99 fiscal year to be used by the Commission to conduct its activities pursuant to
15 this act.

16 Section 3. This act becomes effective July 1, 1997.

DRAFT

Question and Answers About The Southern Interstate Dairy Compact (5/23/97)

1. Is the Compact constitutional, or does it suffer the same problem as other, state, fluid milk pricing programs?

An interstate compact is "invulnerable to constitutional attack under the Commerce Clause." Northeast Bancorp. Inc. V. Board of Governors of the Federal Reserve System, 472 U.S. 159, 174 (1985). Congressional approval of the Compact would thus eliminate the constitutional infirmity of individual state regulatory programs identified in West Lynn vs Massachusetts.

2. How is the farm price of raw milk currently regulated under federal law? Does the federal regulation distinguish between the milk produced within the Compact and that brought in from outside the Compact?

Federal law regulates uniformly the minimum price that all processors must pay for any *raw* milk purchased from dairy farmers for sale as fluid milk in a federal order. The federal regulation makes no distinction based on the geographic location of milk production for market. Processors who purchase raw milk outside the Compact area for fluid milk sales pay the same minimum price as processors located inside the Compact. Currently, most of the fluid milk consumed in the proposed Southern Compact area is processed locally.

3. What additional price regulation would be imposed by the Compact?

The prices set by the Market Orders are regulated minimum prices for the market. Farmers, individually or collectively, commonly obtain marginally higher prices through negotiation with their processor-customers. In addition, the DCMA currently negotiates some higher, "over-order" prices for Class I milk in the southern region. Unfortunately, the DCMA has not been able to hold the "over-order" price for raw milk in the southern region.

The Compact creates an interstate commission with authority to impose a regional over-order price for the Southern Compact area. The commission's authority extends only to the farm price for milk ultimately sold for fluid consumption in the Compact area. Any Compact regulation would be only a marginal, "over-order" addition to the federal floor price, and have no effect on the operation of the federal order program.

Examples of pricing under the Compact:

*For *bulk* milk: As noted above, if the Federal Market Order minimum price for *raw* milk was \$14.69 per hundredweight and the Compact commission imposed a \$1.00 "Compact Over-Order Price," the new regulated floor price for the Compact region would be \$15.69 (\$14.69 under federal regulation + \$1.00 by operation of the Compact). Milk processors would thus be

required to pay \$15.69 for all of the *raw* milk they purchased for ultimate sale as fluid milk in the Compact region.

*For packaged milk: The increase in the regulated floor would also be applied uniformly to packaged beverage milk brought from outside the Compact for sale in the Compact region. Using the \$1.00 "Compact Over Price" example, this would mean that the processors outside the Compact providing this milk would pay \$15.69 as their regulated floor price on the farm: the \$14.69 federal Market Order price + the \$1.00 Compact Over-Order Price for raw milk.

4. Would the Compact impose an "anti-competitive tariff" upon Southern Compact milk dealers and farmers, to enforce the Compact over-order price?

No. There would be no restriction placed on the ability of any non-Southern Compact farmer or processor, from any state, to market fluid milk in the Southern Compact region. The flow of milk into and out of the region would be according to the same competitive pattern as exists in today's market. The regulated market would also function the same as under today's federal regulation, except for any increase in the regulated floor price imposed under the Compact.

Moreover, the Compact would be administered completely unlike a tariff because the *proceeds of the Compact regulation would be distributed to all farmers who supplied the regulated milk, without regard to the supplying farmers' states of residence*. As under federal law, the Compact regulation would treat all of the regulated milk as part of a common, regulated "pool." The proceeds of the Compact pool, as with the federally-regulated pool, would be "blended" out uniformly to all farmers who supply the Compact pool and make up the Southern Compact milkshed, regardless of their state of residence.

In short, the Compact is not a tariff because the proceeds of the regulation will trace back to all the producing farms in any state, rather than remain only in the Southern Compact Region. As with existing federal law, this provided a uniform, regulatory framework for all farmers and processors doing business in the Southern Compact Region, without competitive advantage or disadvantage to anyone.

5. Could the Compact be used to subsidize sales of Southern Compact milk beyond the Compact region?

No. The Compact commission's regulatory authority is limited to milk sales within the Compact region and could not be used to subsidize sales beyond the Compact region.

6. What effect will the Compact have on consumer prices in the Southern Compact?

Passage of the Compact might cause a short-term increase in consumer prices. If the Compact commission does raise the farm price, it is likely the consumer price will rise in some proportionate amount in the short term. It must be noted, however, that there is a sufficient margin between the farm and consumer price to absorb a significant increase in the farm price

without any corresponding increase at the store, so that prediction of an increase in consumer prices is not a certainty.

7. What impact will the Compact have on the WIC program?

The Compact commission is expressly authorized to exempt the WIC program from application of any Compact regulation as necessary.

8. Won't increased prices reduce consumer demand, thereby harming farmers through reduced sales?

The commission must consider this elasticity of demand as part of the regulatory process of deciding whether to impose a price increase.

9. Will a higher Compact price cause increased production of surplus milk, lowering the price of farmers around the country?

No, the Compact would not cause production of surplus milk to the point of lowering the price paid to the farmer. Compact Sec 9(f) and the congressional consent provision require the Compact commission to implement a program to prevent overproduction as part of any regulation imposing an over-order price.

10. Could the Compact commission regulate the price of milk used for manufactured dairy products, or those that move in the national market?

Except the Northeast Dairy Compact, no other compacts are authorizing the pricing of a commodity. However, this Compact is significantly less complicated and less costly than some other interstate compacts that Congress has approved. The Northwest Power Act established an interstate commission responsible for designing a comprehensive energy conservation plan for the Pacific Northwest. The commission's operating budget is more than \$8 million and affect the electric power rate base of every business and residence in the Pacific Northwest.

There are also a number of interstate compacts in place for the disposal of low-level radioactive waste. Strictly speaking, nuclear waste may not be a commodity, but Congressional authorization of its regulation is a far more aggressive use of the interstate compact clause than that proposed by this Dairy Compact.

12. Would this Compact be a precedent for other commodities?

A compact for fluid milk pricing is significantly different from compacts for other commodities might be. Several qualities, such as perishability, inelastic local demand and excessive bulk make milk a unique and regional commodity. In short, this compact's effect is severely limited in terms of product and geography. By contrast a compact for other commodities, such as tomatoes or wine, could not be so constrained in effect because they can be stored for long periods of time and are shipped great distances to a broader market.

The Southern Dairy Compact: Why It Is Needed and What It Does

The Southern Dairy Compact establishes a regional milk pricing system for the southern region. Working with the existing federal milk pricing program, the Compact allows for the regulation of the farm price of fluid, or drinking, milk sold in the South. Uniquely serving both farmers and consumers in the South, the Compact will at once stabilize the region's dairy industry and protect the interests of consumers.

The southern states are establishing the Compact because the region's dairy farmers have not fared well under the current federal milk pricing system. In addition to the overall downward trend, federally established prices have also fluctuated erratically, making it difficult for farmers to develop dependable business plans for their farm operations. Not surprisingly, as a result, fully 171 of North Carolina's dairy farms have ceased operation during 1995 and 1996.

Besides their importance as the local, fresh source of a staple food stuff, dairy farms are an important part of North Carolina's agriculture economy. Sales of dairy products exceeded \$192 million in 1995, fully affecting the state's economy more than \$500 million.

On the other side of the equation, the Compact protects and promotes the interests of the region's consumers. The Compact would encourage stable pricing and help preserve a local supply of fresh, high quality milk at less cost than imported supplies.

In brief:

- The goal of the Compact is to stabilize milk production. GAO and USDA studies show that the erratic fluctuations in the federal price structure have paradoxically contributed to higher consumer milk prices along with reduced farmer income. Research shows also, conversely, that price stability keeps milk prices lower on the store shelf and higher on the farm.
- The Compact can stabilize milk prices to the benefit of consumers as well as farmers because the Compact Commission has the authority to adjust the erratic fluctuations in the federal price structure. By removing these erratic

fluctuations, the Commission will maintain farm price stability and, simultaneously, discourage sudden and sustained price hikes at the store level.

- The Compact also includes many specific provisions which protect the consumer -- contrary to what opponents of the Compact claim. The Compact requires that any price regulation be approved by a two-thirds vote of the Compact's delegation. Most significantly, any individual state may exempt itself from the pricing regulation by a simple vote of its delegation to the commission. These provisions simultaneously ensure that a consensus must exist before price regulations can be imposed and that the rights of the individual states are protected if such a consensus is lacking.
- The Commission has the additional authority to investigate and expose wholesale and retail price fixing. Research has shown that retail stores, especially, are able to use their market power to transmit increases in farm prices to the consumer without transmitting corresponding decreases in farm prices. The Commission's potent investigatory power will serve as a deterrent to price-fixing practices in the marketplace.
- Independent economists have studied what would have happened if the Compact had been in effect between 1992 and 1995. They determined, using USDA milk price data, that farm income could have gone up significantly without any increase in consumer prices.

SOUTHEAST DAIRY COMPACT HOUSE BILL 998

INTRODUCTION

HB 998 was introduced by Rep. John Brown and Rep. Frank Mitchell to authorize North Carolina to appoint a delegation to the proposed Southern Dairy Compact Commission which would become operational when three of the Southern States joined and Congress authorizes the Commission to proceed.

The purpose of the Compact is to regulate the price that North Carolina and other southern dairy farmers in the Compact states receive for their product.

The Carolina Virginia Dairy Products Association represents the dairy processors in the State and is of the opinion that the Compact will not accomplish the intended purpose but will (a) result in another layer of regulation and expense and (b) be detrimental to North Carolina producers and processors and consumers.

This presentation is made in behalf of the processors by Sam Johnson, Atty., P.O. Box 1776, Raleigh, NC 27602, phone 919/743-2200 and I would appreciate the opportunity of participating in any future legislative meetings or studies.

Anti-trust laws have not permitted participation in behalf of the processors in the various meetings prior to the introduction of legislation.

SUMMARY OF LEGISLATION

Section 1. Southern Dairy Compact Commission is Enacted - - G.S. 106-810

Article 1. Statement of Purpose and Declaration of Policy

Article 2. Definitions and Rules of Construction

Article 3. Commission established

With three to five delegates and one vote from each state. Delegates must include one dairy farmer and one consumer representative. (4)

Voting Requirements

Two-thirds vote to establish or terminate an over-order price, but otherwise a simple majority. (5)

Administration and Management

Commission established and has powers. (6)

Rule-Making Power

Commission may enforce additional rules.(7)

Article 4.

Powers of Commission

Powers of the Commission are to investigate, review marketing system, and economic forces affecting producers.

Equitable Farm Prices (9)

Commission establish marketing orders if federal marketing orders are not in effect, apply to class I milk, prices adjusted in region from \$1.50 per gallon based on locations and consumer price index. (b)

Commission order applies to all classes and uses of milk. (c)

Commission may establish a compact over-order price for milk to be paid by pool plants and partially regulated plants and by other handlers receiving milk from producers located in a regulated area. (d)

In determining price Commission consider stated factors. (e)

Commission take such action as is necessary to avoid excess local production. (f)

Commission enter into agreements with state and federal agencies (g).

Optional Provisions for Pricing Order (10)

Regulations will classify milk, establish minimum prices for class I milk, may use flat pricing and formula pricing with location adjustments, zone differentials and competitive credits to regulated handlers who market outside the regulated area. (4)

Plan for uniform payment to producers and handlers, establish an equalization pool throughout the regulated area. (5)

Persons who bring class I milk into regulated area to make compensatory payments to equalize the costs. (6)

Provisions relating to partially regulated plants (7)

Accounts adjusted for payment with respect to producer settlement fund of federal or state marketing order or regulation. (8)

Handlers pay assessment to cover costs of Compact. (9)

Reimbursement to participants of WIC program. (10)

Order may contain other necessary provisions (11)

Article 5.

Rule-making Procedure. (11)

Commission conduct informal rule-making pursuant to Federal Administrative Procedure Act, publish notices of rule-making, hold public hearings. Commission may commence rule-making or act upon the petition of milk producers or other groups.

Findings and Referendum (12)

Commission make findings of fact with respect to (a) public interest of the establishment of minimum milk prices; (b) levels of price to cover producers costs and allow supply of milk in area; (c) provisions of order in public interest; (d) terms of order or amendment approved

by producers.

Producer referendum (13)

Referendum held to determine if issuance or amendment of regulations to establish over-order price or marketing order is approved by the producers. Two-thirds of producers must approve order or amendment to become effective.

Termination of over-order price or marketing order (14)

Commission may terminate over-order price or marketing order when (a) the price or order does not follow the policies of the Compact (b) termination is favored by majority of producers. Termination of an order must comply with the Federal Administrative Procedures Act.

Article 6. Enforcement

Records, reports, access to premises (15)

Subpoena, hearing and judicial review (16)

Enforcement with respect to handlers (17)

Article 7. Finance

Finance of start-up and regular costs. (18)

Commission may borrow money, collect assessment from handlers on monthly basis for up to one year not to exceed \$.015 per hundred weight of milk.

Audit and accounts (19)

Article 8. Entry into force; Additional Members and Withdrawal

Compact becomes effective when three states have enacted the Compact and the consent of Congress has been obtained. (20)

Withdrawal from Compact - -State can withdrawal effective one year after written notice. (21)

Severability Clause (22)

Appointment of members to Compact G.S. 106-811.- - NC delegation of five members; consumer, leg appointees, farmer. Term, quorum.

Section 2. Appropriations from the General Fund to the Southern Dairy Compact Commission of \$25,000 for 1997-1998 and \$25,000 for 1998-1999.

Section 3. Effective date of Legislation - - July 1, 1997.

DISCUSSION

1. Milk is a national commodity and subject to market conditions and supply and demand. Both bulk milk and packaged milk will move from region to region based on economic circumstances.

Raw milk is probably not regulated under the Congressional Act and packaged milk is apparently subject to regulation, if the compact is deemed lawful, and this creates a distribution issue from the various regions of the states in which milk can be shipped as raw or bulk or packaged.

As an example, California vegetables and Florida vegetables are an agricultural product found in the market place which can be shipped to North Carolina, even though most of the same vegetables can be grown during the correct season in our state.

At this time North Carolina milk is sold in many adjoining and nearby states by North Carolina processors and raw milk from out of state producers comes in our state and is purchased by both producer cooperatives and processors.

2. There are important legal issues that have not been resolved. A federal judge heard a challenge to the Northeast Compact on May 22, 1997 and the result will not be known for several weeks and then there are further legal steps in the case.

As stated by legal counsel at a previous meeting, some of the issues remaining in the challenge to the northeast compact are similar to issues that caused the demise of the North Carolina Milk Commission a few years ago.

Those of you who were around at that time would have concluded that the Milk Commission no longer served a useful purpose as a regulatory body.

3. It is my understanding that only Louisiana has adopted membership in the compact and Arkansas has taken a step in that direction and assuming that North Carolina moves in that direction -- this can hardly be called a compact -- these states are many miles apart and I am certain they have different interests within their jurisdictions with reference to production and marketing of milk.

This causes me to believe that much more study of the issue is seriously needed.

4. A major problem for North Carolina producers is regulatory. In response to this concern the Carolina/Virginia Dairy Products Association last month authorized me during recent weeks to work with producer groups to assist their efforts in the following areas:

a. Monitor the Environmental Management Commission meetings and committees and Water Quality and Environmental Committees and help develop an action plan and road map for interpretation of upcoming regulations.

b. Assist in requests that no new regulations be imposed on the industry until dairy producers and dairy organizations have the opportunity to respond to current regulations because of differences in interpretation and implementation.

c. Work on moving control of regulations to one state government agency versus local control and multiple state agency control, whereby dairy producers have one location to seek help in resolving regulatory concerns.

5. It is believed that North Carolina producers are efficient and with the help of state regulators and educators - - agribusiness - - environmental - - and others - - the environment can be improved in our state for the benefit of our producers/farmers and our processors/ bottlers who seek to cooperate in solving the problem of milk production and distribution in our state.

CONCLUSION

In behalf of the North Carolina Dairy Products Association, let me state there is a genuine concern for the well-being of the dairy industry in North Carolina.

Appreciation is expressed to the House Agriculture Committee for permitting us to make this presentation and we desire to participate in future discussions of this issue.

Prepared by:
Sam Johnson, Atty for.
Carolina Virginia
Dairy Products Association
P.O. Box 1776
Raleigh, NC 27602
919/743-2200

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

2

SENATE BILL 508

Rules and Operations of the Senate Committee Substitute Adopted 4/29/97

Short Title: Turkey Grower Use Value Exception.

(Public)

Sponsors:

Referred to: Finance.

March 25, 1997

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT A TURKEY GROWER SHALL NOT BE DISQUALIFIED FROM USE VALUE TAXATION FOR A TWO-YEAR PERIOD IF THE GROWER'S LAND IS TAKEN OUT OF PRODUCTION SOLELY BECAUSE OF THE PRESENCE OF TURKEY DISEASE IN THE AREA.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-277.3 is amended by adding a new subsection to read:

"(e) Notwithstanding the provisions of subsection (a) of this section, agricultural land that meets all of the following conditions does not lose its eligibility for present use value treatment solely on the grounds that it is no longer in actual production, it no longer meets the minimum income requirements, or both:

(1) The land was in actual production in turkey growing within the preceding two years and qualified for present use value treatment while it was in actual production.

(2) The land was taken out of actual production in turkey growing solely for health and safety considerations due to the presence of Poulter Enteritis Mortality Syndrome among turkeys in the same county or a neighboring county.

(3) The land is otherwise eligible for present use value treatment."

Section 2. This act is effective for taxes imposed for taxable years beginning on or after July 1, 1997.

VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE

MAY 27, 1997 10:00

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Larry M. Sam	J. G. & J. Dairy
Circ Jackson	JACKSON DAIRY 1566 Dairy Rd Dunn N.C.
Willard Blackwell	Blackwell Dairy 457 Blackwell Rd ^{Station 11} N.C. 28677
Paul F. Pless	N.C. Dairy Producers Assn.
J. M. Wright Jr.	Wright Dairy 315 Wright Dairy Rd Rendonville N.C.
Joe A. Pless	Geo. Pless & Sons Dairy, Rockwell N.C.
Bill Cavinton	Cavinton Dairy Farm - Mendenhall, N.C.
Norman Jordan Jr.	NC Dairy Producers Assn.
Dan Hunsucker	Hunsucker Dairy
Jeff Bender	Bender Dairy Norlina, NC
Lisa Bender	Bender Dairy Norlina, NC
Gill Farthing	Parker Be Low Firm, Charlotte
Tim Hunter	HUNTER FARMS - CHAR. NC
Curtis Paken	LAND-O-SUN DAIRIES
SAM JOHNSON	ATTY
John May	CAROLINA DAIRIES CORP.
John Cyrus	N.C. State Grange
Leroy Jackson	Plant Food Assn of NC
Doug Mudd	N.C. State Grange
Butch Brook	Sunnybrook Farm Inc.
A. K. Davis	A. K. & Ken Davis Dairy Inc.
Larry B. Wooten	NC Farm Bureau
Dennis H. Horner	NCD A
Fred L. Davis	N.C. Farm Bureau
Donald L. Davis	NC Farm Bureau 924 Waynes Ind. Tr. Rd. S,

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

MAY 27, 1997
1:00 P.M.

The House Committee on Agriculture met in Room 1425 of the Legislative Building on Tuesday, May 27, 1997 at 1:00 p.m. Representative John W. Brown, Chairman, presided at the meeting with thirteen House Members Present, twelve House Members absent and one House Member excused.

Because of the short time allotted for the morning meeting due to the visit of the Honorable Jesse A. Helms, the Agriculture Committee met in order to discuss House Bill #980 entitled: **AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX PURPOSES** sponsored by Representative Edwin Hardy.

Representative Baker moved to adopt the Committee Substitute for discussion. Motion carried.

After considerable discussion and some confusion, it was the favor of the Representative Hardy, sponsor of the bill, to postpone the bill until our Tuesday meeting. Chairman Brown honored his request.

The meeting adjourned at 1:35 p.m.


JOHN W. BROWN, CHAIRMAN


ANNA P. KIDD, CLERK

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 980

Short Title: Crop Allotment Tax Appraisal.

(Public)

Sponsors: Representatives Hardy, Baker, Daughtry; Aldridge, Arnold, Berry, Brown, Cansler, Capps, Clary, Creech, Davis, Decker, Eddins, Hall, Hiatt, Hill, McComas, Miner, Mitchell, Morris, Nichols, Russell, Sherrill, Starnes, and G. Wilson.

Referred to: Agriculture, if favorable, Finance.

April 17, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE
3 CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX
4 PURPOSES.
5 The General Assembly of North Carolina enacts:
6 Section 1. G.S. 105-277.01 reads as rewritten:
7 "**§ 105-277.01. Certain farm products and land with crop allotments classified for**
8 **taxation at reduced valuation.**
9 (a) ~~Farm products (including products, including~~ crops but excluding poultry and
10 ~~other livestock)~~ livestock, held by or for a cooperative stabilization or marketing
11 association or corporation to which they have been delivered, conveyed, or assigned
12 by the original producer for the purpose of sale are hereby designated a special class
13 of property under authority of ~~Article V, Sec. 2(2)~~, Section 2(2) of Article V of the
14 North Carolina Constitution. Before being assessed for taxation the appraised
15 valuation of farm products so classified shall be reduced by the amount of any unpaid
16 loan or advance made or granted thereon by the United States government, an
17 agency of the United States government, or a cooperative stabilization or marketing
18 association or corporation.
19 (b) Land on which there are acreage or poundage allotments for farm
20 commodities is designated a special class of property under authority of Section 2(2)

1 of Article V of the North Carolina Constitution. The value of these allotments shall
2 not be considered in appraising land classified under this subsection."

3 Section 2. G.S. 105-289(a)(5) reads as rewritten:

4 "(5) To prepare and distribute annually to each assessor a manual that
5 establishes five expected net income per acre ranges for
6 agricultural land, horticultural land, and forestland, and establishes
7 a method for appraising nonproductive land as a percentage of the
8 lowest use-value established for productive land. The high and
9 low net income amount in each range may differ by no more than
10 fifteen dollars (\$15.00). The basis for establishing each range shall
11 be soil productivity.

12 For agricultural land, the expected net income per acre ranges
13 shall be based on the actual yields and prices of corn and soybeans
14 over a period of at least the five previous years, and the actual
15 fixed and variable costs, including an imputed management cost,
16 incurred in growing corn and soybeans over the same period of
17 time. ~~The manual shall contain recommended adjustments to the~~
18 ~~net income per acre ranges for the growing of crops subject to~~
19 ~~acreage or poundage allotments.~~

20 Expected net income per acre ranges shall be similarly
21 established for horticultural land and forestland, using typical
22 horticultural or forest products in various growing regions of the
23 State instead of corn and soybeans."

24 Section 3. This act is effective for taxes imposed for taxable years
25 beginning on or after July 1, 1998.

VISITOR REGISTRATION SHEET

~~HOUSE AGRICULTURE COMMITTEE~~

MAY 27

, 1997

1:00 p.m.

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Leibson Paper

2DA, PA

Andy Ellis

NC Farm Bureau

Julian's help

NC Farm Bureau

For Deane

WCSP

P.E. Str. Ther

Co. Cum

Feeling Harder

NC. Park Council

HOUSE AGRICULTURE COMMITTEE
Subcommittee to study HB 980, Crop Allotment Tax Appraisal

Chairman John Brown appointed Rep. Dewey L. Hill, Chairman; Rep. Gene Rogers; Rep. Ronnie Smith and Rep. Doug Yongue to study HB 980.

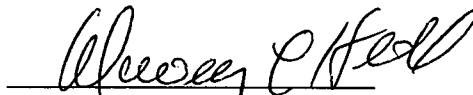
The subcommittee met at 5:00 p.m. on Monday, May 26, 1997 in Room 612 of the Legislative Office Building. All subcommittee members were present. Rep. Hill recognized Rep. Smith who requested staff to prepare an amendment which would hold the counties and cities harmless from the crop allotment.

The amendment was rolled into a committee substitute which will be presented to the full committee on Tuesday, June 3, 1997.

All members were in agreement and Rep. Hill adjourned the subcommittee.

Submitted by:


Virginia M. McCann
Subcommittee Clerk


Rep. Dewey L. Hill
Subcommittee Chair

AGENDA

HOUSE AGRICULTURE COMMITTEE

TUESDAY, JUNE 3, 1997

ROOM 1425

10:00 A.M.

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

**H.B. #980 - CROP ALLOTMENT TAX APPRAISAL
REP. SANDY HARDY**

**H.B. #1055 - ARBITRATION OF SEED CLAIMS
REP. CAROLYN RUSSELL**

ANNOUNCEMENTS

ADJOURNMENT

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: **TUESDAY, JUNE 3, 1997**

TIME: **10:00 A.M.**

LOCATION: **ROOM 1425**

The following bills will be considered (Bill # & Short Title):

H.B. #980 - CROP ALLOTMENT TAX APPRAISAL

H.B. #1055 - ARBITRATION OF SEED CLAIMS

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
10:00 A.M. on THURSDAY, MAY 29, 1997.

____ Principal Clerk
____ Reading Clerk - House Chamber

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. CAROLYN RUSSELL

OFFICE: ROOM 2207

DATE: THURSDAY, MAY 29, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, JUNE 3, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #1055 - ARBITRATION OF SEED CLAIMS

We would like to have you attend this meeting.

Representative JOHN W. BROWN
Chairman

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. SANDY HARDY

OFFICE: ROOM 417A

DATE: THURSDAY, MAY 29, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, JUNE 3, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #980 - CROP ALLOTMENT TAX APPRAISAL

We would like to have you attend this meeting.

Representative JOHN W. BROWN
Chairman

ANNA KIDD (Committee Clerk)

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

JUNE 3, 1997

The House Committee on Agriculture met in Room 1425 of the Legislative Building on Tuesday, June 3, 1997 at 10:00 a.m. Chairman Brown presided at the meeting with twenty two House Members present and four House Members absent.

Chairman Brown introduced the pages serving the Committee and welcomed all guests.

At this time, Representative Brown turned the meeting over to Representative Carolyn Russell to speak on House Bill #1055. Representative Russell explained HB #1055 entitled: **AN ACT TO PROVIDE FOR THE MANDATORY ARBITRATION OF CLAIMS RELATED TO DEFECTIVE SEED** to the Members.

Representative Russell stated that this bill would mandate the arbitration of seed claims. Defective seed complaints would be required to be filed within a time frame that would allow inspection of the affected seed, crops, or plants.

She went on to explain that Section 1 of the bill repeals the existing provisions in the agriculture statutes allowing a farmer to file a complain with the Commissioner of Agriculture and have the Department conduct an investigation to determine the facts of the matter and, when appropriate, recommend money damages as a result of the seed failure.

Section 2 of the bill sets forth the new provisions requiring arbitration of seed claims. G.S. 106-277.30 would require a person who believes that they have been damaged by failure of seeds to perform as labeled to file a complaint with the Commissioner of Agriculture and have the matter considered by an arbitration committee as a condition precedent to the filing of a legal action.

The complaint must be filed within time to allow inspection of the affected seeds, crops, or plants. The person must pay a \$100 filing fee with the complaint to offset the expenses of the arbitration committee. A copy of the complaint shall be sent to the dealer by certified mail and the dealer may file an answer within 10 days of receipt of the complaint.

Representative Russell explained that in order to trigger the mandatory arbitration requirement, the seed dealer must place on the label notice that arbitration is required under the seed laws of some states as a precondition to maintaining a legal action. A seed

dealer against whom an action has been brought may also request an investigation by the arbitration committee. A filing fee of \$100 must accompany the request for an investigation.

G.S. 106-277.31 sets forth the membership of the arbitration committee. The committee is to consist of 5 members appointed by the Commissioner. The Director of the Agriculture Research Service at NCSU, the Director of the North Carolina Cooperative Extension Service, and the President of the North Carolina Seedsmen's Association shall each recommend one member for appointment. Of the other two members, one shall be a farmer who is not connected to seed sales and one shall be an employee of the Department of Agriculture.

G.S. 106-277.32 sets forth the duties of the arbitration committee. In conducting an investigation the committee may (1) examine the buyer about how the seed was used; (2) examine the seller about how the seed was packaged, labeled, and sold; (3) grow a sample of the seed; (4) hold informal hearings; (5) seek evaluations from experts in allied disciplines; and (6) inspect the affected site. No investigation shall be made by less than the whole committee unless the chair of the committee directs so in writing. The record of the committee's activities shall be kept on file at the Department. All findings shall be transmitted to the parties within 30 days of completion of the arbitration. The findings shall be binding on the parties to the extent that they have agreed to be bound in any contract governing the purchase of the seed.

G.S. 106-277.133 provides for the filing of a legal action after the arbitration proceedings are completed. The report of arbitration may be introduced as evidence of the facts found in the report and the court may give such weight to the committee's findings and conclusions of law as recommendations as the court deems appropriate. In addition the court may take into consideration any finding with respect to the effect of a failure to cooperate with the arbitration and the effect of any delay in the proceedings on the arbitration committee's ability to determine the facts.

Section 3 of the act appropriates \$10,000 in each year of the biennium to implement the act.

The act becomes effective July 1, 1997.

Several questions were taken from the floor. Howard M. Singletary, Director of Plant Industry with the North Carolina Department of Agriculture stated that they supported this bill. Representative Buchanan moved for a favorable report. Representative Owen said it was a good bill and moved for a favorable report. Representative Rogers stated that this set a dangerous precedent and recommended a vote against the motion on the table. Taylor Jeffries with the North Carolina Seedsmen's Association stated that they were in support of this bill.

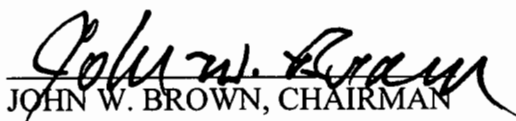
Representative Frank Mitchell moved for adoption of an amendment sent forth. Motion was carried. Further discussion followed.

Chairman Brown announced that there was a motion on the floor to give HB 1055 a favorable report as to committee substitute bill unfavorable as to original bill and recommendation that the committee substitute bill be re-referred to the Committee on Finance. Motion carried.

Chairman Brown next introduced Representative Sandy Hardy sponsor for HB #980 entitled: **AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX PURPOSES.** Representative Hill moved that the members adopt the Committee Substitute for HB #980. At this time, Representative Hardy announced to the Members that this Committee Substitute was unacceptable to the sponsor. Representative Hardy stated that it is understandable that some counties would lose money under this bill. Representative Hill stated that some counties apparently are taxing, while some are not. Several questions and discussion followed.

Representative John Nichols moved for an unfavorable report for Committee Substitute PCS-1384. Representative Ownes felt that the Committee Substitute could possibly be fixed with an amendment. Representative Hill offered an amendment. Representative Nichols called for the question. Motion was carried with three NO's. The original version of HB #980 may be put back on the calendar for the next meeting.

The meeting adjourned at 11:00 a.m.


JOHN W. BROWN, CHAIRMAN


ANNA P. KIDD, CLERK

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1055*

Short Title: Arbitration of Seed Claims.

(Public)

Sponsors: Representative Russell.

Referred to: Agriculture, if favorable, Finance.

April 21, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR THE MANDATORY ARBITRATION OF CLAIMS
3 RELATED TO DEFECTIVE SEED.
4 The General Assembly of North Carolina enacts:
5 Section 1. G.S. 106-277.29 is repealed.
6 Section 2. Article 31 of Chapter 106 of the General Statutes is amended
7 by adding the following new sections:
8 "§ 106-277.30. Condition precedent to filing an action; notice required.
9 (a) Complaint by Buyer. -- When a buyer believes that he or she has suffered
10 damages due to the failure of agricultural or vegetable seed to produce or perform as
11 labeled, as warranted, or as a result of negligence, the buyer shall make a sworn
12 complaint against the dealer from whom the seeds were purchased, alleging the
13 damages sustained or to be sustained, and file the complaint with the Commissioner
14 of Agriculture within such time as to permit inspection of the seed, crops, or plants.
15 The buyer shall send a copy of the complaint to the dealer by registered mail. A
16 filing fee of one hundred dollars (\$100.00) shall be paid to the Commissioner of
17 Agriculture with each complaint filed. This fee may be used by the Commissioner to
18 offset the expenses of the arbitration committee incurred under G.S. 106-277.32.
19 Within 10 days after receipt of a copy of the complaint, the dealer may file an answer
20 to the complaint and, in that event, shall send a copy to the buyer by registered mail.
21 (b) Notice Required. -- The seed dealer shall legibly print or type on the seed
22 container or affix a label on the seed container a notice in the following form or
23 using reasonably equivalent language:
24 'Notice of Mandatory Arbitration

1 Under the seed laws of some states, arbitration is required as a precondition of
2 maintaining certain legal actions against a seller of seed. Information about this
3 requirement where applicable, may be obtained from a State's Commissioner of
4 Agriculture or corresponding chief agricultural official.'

5 (c) Condition Precedent. -- Complying with subsection (a) of this section is a
6 condition precedent to the buyer's right to file an action against the seed dealer. This
7 subsection does not apply if the seed dealer fails to provide notice as required under
8 subsection (b) of this section.

9 (d) Investigation Requested by Seed Dealer. -- Any seed dealer against whom an
10 action is brought in any court, State or federal, by a buyer who alleges that the buyer
11 has suffered damages due to the failure of seeds purchased from a seed dealer to
12 perform as labeled, as warranted, or as a result of negligence may request an
13 investigation by the arbitration committee pursuant to G.S. 106-277.32. A filing fee
14 of one hundred dollars (\$100.00) shall be paid to the Department of Agriculture by
15 the party requesting the investigation.

16 (e) Referral to Committee. -- The Commissioner of Agriculture shall refer the
17 complaint and the answer to the complaint, if any, to the arbitration committee to
18 investigate and make findings and recommendations on the matters complained of
19 pursuant to G.S. 106-277.32.

20 **"§ 106-277.31. Arbitration committee created; membership; duties.**

21 (a) The Commissioner of Agriculture shall appoint an arbitration committee
22 composed of five members, three of whom shall be appointed upon the
23 recommendation of the following: Director of the Agricultural Research Service,
24 North Carolina State University; Director of the North Carolina Cooperative
25 Extension Service, North Carolina State University; and President of the North
26 Carolina Seedsmen's Association. The other two members shall include: one farmer
27 who is not connected in any way to selling seeds at retail or wholesale and one
28 employee of the Department of Agriculture. An alternate for each member shall also
29 be appointed in the same manner as that member was appointed to serve whenever
30 that member is unable or unwilling to serve. Each member of the committee shall
31 serve until replaced by the Commissioner of Agriculture. The committee shall elect a
32 chairperson. The chairperson shall conduct all meetings and deliberations and direct
33 all other activities of the committee.

34 (b) A clerk shall be appointed to serve the committee. The clerk shall be an
35 employee of the Department of Agriculture. The clerk shall keep accurate and
36 correct records of all meetings and deliberations and perform other duties for the
37 committee as directed by the chairperson.

38 (c) The purpose of the arbitration committee is to assist seed buyers and
39 agricultural seed dealers in determining the matters alleged in complaints made by
40 buyers against seed dealers.

41 (d) The arbitration committee may be called into session by the Commissioner of
42 Agriculture at the Commissioner's discretion or upon the direction of the chairperson
43 to consider the matters referred to it by the Commissioner of Agriculture.

1 (e) The Department shall provide administrative support for the investigation
2 under this section. The committee shall adopt rules to govern investigations and
3 hearings. A copy of the rules shall be mailed to each party to a dispute upon receipt
4 of a complaint.

5 (f) Members of the committee appointed by the Commissioner who are not
6 governmental employees shall be entitled to receive reimbursement for necessary
7 travel and subsistence expenses pursuant to G.S. 138-5. Other members of the
8 committee shall not be entitled to any compensation or reimbursement of expenses
9 from the Department of Agriculture.

10 (g) The Attorney General shall represent the committee in any and all legal
11 proceedings that may arise concerning or against the committee.

12 **"§ 106-277.32. Duties of arbitration committee.**

13 (a) In conducting its investigation of claims referred by the Commissioner of
14 Agriculture, the arbitration committee may engage in all of the following activities:

15 (1) Examine the buyer regarding the buyer's use of the seed of which
16 the buyer complains and examine the seed dealer on the dealer's
17 packaging, labeling, and selling of the seed alleged to be faulty.

18 (2) Grow a representative sample of the alleged faulty seed to
19 production when such action is deemed by the committee to be
20 necessary.

21 (3) Hold informal hearings at a time and place directed by the
22 chairperson upon reasonable notice to the buyer and the seed
23 dealer.

24 (4) Seek evaluations from authorities in allied disciplines, when
25 deemed necessary by the committee.

26 (5) Visit and inspect the affected site and take samples, make plant
27 counts, and take pictures of affected and unaffected areas.

28 (b) The committee shall keep a record of its activities and reports on file in the
29 Department of Agriculture. The Department shall transmit all findings and
30 recommendations to the buyer and to the seed dealer within 30 days of completion of
31 the arbitration.

32 (c) No investigation shall be made by less than the whole membership of the
33 committee unless the chairperson directs such investigation in writing. Such
34 investigation shall be summarized in writing and considered by the committee in
35 reporting its findings and making its recommendations.

36 (d) The report of arbitration shall be binding upon all parties to the extent, if any,
37 that they have so agreed in any contract governing the sale of the seed.

38 **"§ 106-277.33. Filing an action regarding a defective seed claim.**

39 (a) In the absence of an agreement to be bound by arbitration, a buyer may file an
40 action against a seed seller or assert such claim as a counterclaim or defense in any
41 action brought by the seed seller at any time after the receipt of the report of
42 arbitration under G.S. 106-277.32.

43 (b) In any action involving a complaint that has been the subject of arbitration
44 under G.S. 106-277.32, any party may introduce the report of arbitration as evidence

1 of the facts found in the report, and the court may give such weight to the
2 committee's findings and conclusions of law and recommendations as to damages and
3 costs as the court deems appropriate, based upon all the evidence before the court.
4 The court may consider any finding of the committee with respect to the failure of
5 any party to cooperate in the arbitration proceedings, including any finding as to the
6 effect of delay in filing the arbitration claim upon the committee's ability to
7 determine the facts of the case."

8 Section 3. There is appropriated from the General Fund to the
9 Department of Agriculture the sum of ten thousand dollars (\$10,000) for the 1997-98
10 fiscal year and the sum of ten thousand dollars (\$10,000) for the 1998-99 fiscal year to
11 be used to implement and administer this act.

12 Section 4. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 1055*
Proposed Committee Substitute H1055-PCS4123

Short Title: Arbitration of Seed Claims.

(Public)

Sponsors:

Referred to:

April 21, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR THE MANDATORY ARBITRATION OF CLAIMS
3 RELATED TO DEFECTIVE SEED.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 106-277.29 is repealed.

6 Section 2. Article 31 of Chapter 106 of the General Statutes is amended
7 by adding the following new sections:

8 "§ 106-277.30. Condition precedent to filing an action; notice required.

9 (a) Complaint by Buyer. -- When a buyer believes that he or she has suffered
10 damages due to the failure of agricultural or vegetable seed to produce or perform as
11 labeled, as warranted, or as a result of negligence, the buyer shall make a sworn
12 complaint against the dealer from whom the seeds were purchased, alleging the
13 damages sustained or to be sustained, and file the complaint with the Commissioner
14 of Agriculture within such time as to permit inspection of the seed, crops, or plants.
15 The buyer shall send a copy of the complaint to the dealer by registered mail. A
16 filing fee of one hundred dollars (\$100.00) shall be paid to the Commissioner of
17 Agriculture with each complaint filed. This fee may be used by the Commissioner to
18 offset the expenses of the arbitration committee incurred under G.S. 106-277.32.
19 Within 10 days after receipt of a copy of the complaint, the dealer may file an answer
20 to the complaint and, in that event, shall send a copy to the buyer by registered mail.

21 (b) Notice Required. -- The seed dealer shall legibly print or type on the seed
22 container or affix a label on the seed container a notice in the following form or
23 using reasonably equivalent language:

'Notice of Mandatory Arbitration

Under the seed laws of some states, arbitration is required as a precondition of maintaining certain legal actions against a seller of seed. Information about this requirement where applicable, may be obtained from a State's Commissioner of Agriculture or corresponding chief agricultural official.'

(c) Condition Precedent. -- Complying with subsection (a) of this section is a condition precedent to the buyer's right to file an action against the seed dealer. This subsection does not apply if the seed dealer fails to provide notice as required under subsection (b) of this section.

(d) Investigation Requested by Seed Dealer. -- Any seed dealer against whom an action is brought in any court, State or federal, by a buyer who alleges that the buyer has suffered damages due to the failure of seeds purchased from a seed dealer to perform as labeled, as warranted, or as a result of negligence may request an investigation by the arbitration committee pursuant to G.S. 106-277.32. A filing fee of one hundred dollars (\$100.00) shall be paid to the Department of Agriculture by the party requesting the investigation.

(e) Referral to Committee. -- The Commissioner of Agriculture shall refer the complaint and the answer to the complaint, if any, to the arbitration committee to investigate and make findings and recommendations on the matters complained of pursuant to G.S. 106-277.32.

"§ 106-277.31. Arbitration committee created; membership; duties.

(a) The Commissioner of Agriculture shall appoint an arbitration committee composed of five members, three of whom shall be appointed upon the recommendation of the following: Director of the Agricultural Research Service, North Carolina State University; Director of the North Carolina Cooperative Extension Service, North Carolina State University; and President of the North Carolina Seedsmen's Association. The other two members shall include: one farmer who is not connected in any way to selling seeds at retail or wholesale and one employee of the Department of Agriculture. An alternate for each member shall also be appointed in the same manner as that member was appointed to serve whenever that member is unable or unwilling to serve. Each member of the committee shall serve until replaced by the Commissioner of Agriculture. The committee shall elect a chairperson. The chairperson shall conduct all meetings and deliberations and direct all other activities of the committee.

(b) A clerk shall be appointed to serve the committee. The clerk shall be an employee of the Department of Agriculture. The clerk shall keep accurate and correct records of all meetings and deliberations and perform other duties for the committee as directed by the chairperson.

(c) The purpose of the arbitration committee is to assist seed buyers and agricultural seed dealers in determining the matters alleged in complaints made by buyers against seed dealers.

(d) The arbitration committee may be called into session by the Commissioner of Agriculture at the Commissioner's discretion or upon the direction of the chairperson to consider the matters referred to it by the Commissioner of Agriculture.

1 (e) The Department shall provide administrative support for the investigation
2 under this section. The committee shall adopt rules to govern investigations and
3 hearings. A copy of the rules shall be mailed to each party to a dispute upon receipt
4 of a complaint.

5 (f) Members of the committee appointed by the Commissioner who are not
6 governmental employees shall be entitled to receive reimbursement for necessary
7 travel and subsistence expenses pursuant to G.S. 138-5. Other members of the
8 committee shall not be entitled to any compensation or reimbursement of expenses
9 from the Department of Agriculture.

10 (g) The Attorney General shall represent the committee in any and all legal
11 proceedings that may arise concerning or against the committee.

12 **"§ 106-277.32. Duties of arbitration committee.**

13 (a) In conducting its investigation of claims referred by the Commissioner of
14 Agriculture, the arbitration committee may engage in all of the following activities:

- 15 (1) Examine the buyer regarding the buyer's use of the seed of which
16 the buyer complains and examine the seed dealer on the dealer's
17 packaging, labeling, and selling of the seed alleged to be faulty.
- 18 (2) Grow a representative sample of the alleged faulty seed to
19 production when such action is deemed by the committee to be
20 necessary.
- 21 (3) Hold informal hearings at a time and place directed by the
22 chairperson upon reasonable notice to the buyer and the seed
23 dealer.
- 24 (4) Seek evaluations from authorities in allied disciplines, when
25 deemed necessary by the committee.
- 26 (5) Visit and inspect the affected site and take samples, make plant
27 counts, and take pictures of affected and unaffected areas.

28 (b) The committee shall keep a record of its activities and reports on file in the
29 Department of Agriculture. The Department shall transmit all findings and
30 recommendations to the buyer and to the seed dealer within 30 days of completion of
31 the arbitration.

32 (c) No investigation shall be made by less than the whole membership of the
33 committee unless the chairperson directs such investigation in writing. Such
34 investigation shall be summarized in writing and considered by the committee in
35 reporting its findings and making its recommendations.

36 (d) The report of arbitration shall be binding upon all parties to the extent, if any,
37 that they have so agreed in writing subsequent to the filing of a complaint pursuant to
38 G.S. 106-277.30.

39 **"§ 106-277.33. Filing an action regarding a defective seed claim.**

40 (a) In the absence of an agreement to be bound by arbitration, a buyer may file an
41 action against a seed seller or assert such claim as a counterclaim or defense in any
42 action brought by the seed seller at any time after the receipt of the report of
43 arbitration under G.S. 106-277.32.

1 **(b) In any action involving a complaint that has been the subject of arbitration**
2 **under G.S. 106-277.32, any party may introduce the report of arbitration as evidence**
3 **of the facts found in the report, and the court may give such weight to the**
4 **committee's findings and conclusions of law and recommendations as to damages and**
5 **costs as the court deems appropriate, based upon all the evidence before the court.**
6 **The court may consider any finding of the committee with respect to the failure of**
7 **any party to cooperate in the arbitration proceedings, including any finding as to the**
8 **effect of delay in filing the arbitration claim upon the committee's ability to**
9 **determine the facts of the case."**

10 Section 3. There is appropriated from the General Fund to the
11 Department of Agriculture the sum of ten thousand dollars (\$10,000) for the 1997-98
12 fiscal year and the sum of ten thousand dollars (\$10,000) for the 1998-99 fiscal year to
13 be used to implement and administer this act.

14 Section 4. This act becomes effective July 1, 1997.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. 1053

DATE 6/3/97

S. B. No. _____

Amendment No. 1

COMMITTEE SUBSTITUTE _____

(to be filled in by
Principal Clerk)

Rep.) _____
Sen.) _____

1 moves to amend the bill on page 3, line 37

2 () WHICH CHANGES THE TITLE

3 by rewriting that line to read:

4 _____
5 "that they have so agreed in writing
6 subsequent to the filing of a complaint
7 pursuant to G.S. 106-277.30."

8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **JOHN W. BROWN** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 1055 A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR THE MANDATORY
ARBITRATION OF CLAIMS RELATED TO DEFECTIVE SEED.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to committee substitute bill ,unfavorable as to original bill and
recommendation that the committee substitute bill be re-referred to the Committee on
Finance.

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 980

Short Title: Crop Allotment Tax Appraisal.

(Public)

Sponsors: Representatives Hardy, Baker, Daughtry; Aldridge, Arnold, Berry, Brown, Cansler, Capps, Clary, Creech, Davis, Decker, Eddins, Hall, Hiatt, Hill, McComas, Miner, Mitchell, Morris, Nichols, Russell, Sherrill, Starnes, and G. Wilson.

Referred to: Agriculture, if favorable, Finance.

April 17, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE
3 CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX
4 PURPOSES.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 105-277.01 reads as rewritten:

7 "**§ 105-277.01. Certain farm products and land with crop allotments classified for**
8 **taxation at reduced valuation.**

9 (a) ~~Farm products (including products, including~~ crops but excluding poultry and
10 ~~other livestock)~~ livestock, held by or for a cooperative stabilization or marketing
11 association or corporation to which they have been delivered, conveyed, or assigned
12 by the original producer for the purpose of sale are hereby designated a special class
13 of property under authority of ~~Article V, Sec. 2(2),~~ Section 2(2) of Article V of the
14 North Carolina Constitution. Before being assessed for taxation the appraised
15 valuation of farm products so classified shall be reduced by the amount of any unpaid
16 loan or advance made or granted thereon by the United States government, an
17 agency of the United States government, or a cooperative stabilization or marketing
18 association or corporation.

19 (b) Land on which there are acreage or poundage allotments for farm
20 commodities is designated a special class of property under authority of Section 2(2)

1 of Article V of the North Carolina Constitution. The value of these allotments shall
2 not be considered in appraising land classified under this subsection."

3 Section 2. G.S. 105-289(a)(5) reads as rewritten:

4 "(5) To prepare and distribute annually to each assessor a manual that
5 establishes five expected net income per acre ranges for
6 agricultural land, horticultural land, and forestland, and establishes
7 a method for appraising nonproductive land as a percentage of the
8 lowest use-value established for productive land. The high and
9 low net income amount in each range may differ by no more than
10 fifteen dollars (\$15.00). The basis for establishing each range shall
11 be soil productivity.

12 For agricultural land, the expected net income per acre ranges
13 shall be based on the actual yields and prices of corn and soybeans
14 over a period of at least the five previous years, and the actual
15 fixed and variable costs, including an imputed management cost,
16 incurred in growing corn and soybeans over the same period of
17 time. ~~The manual shall contain recommended adjustments to the~~
18 ~~net income per acre ranges for the growing of crops subject to~~
19 ~~acreage or poundage allotments.~~

20 Expected net income per acre ranges shall be similarly
21 established for horticultural land and forestland, using typical
22 horticultural or forest products in various growing regions of the
23 State instead of corn and soybeans."

24 Section 3. This act is effective for taxes imposed for taxable years
25 beginning on or after July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 980
Proposed Committee Substitute H980-PCS1384

Short Title: Crop Allotment Tax Appraisal.

(Public)

Sponsors:

Referred to:

April 17, 1997

1 A BILL TO BE ENTITLED

2 AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE
3 CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX PURPOSES
4 AND TO REIMBURSE LOCAL GOVERNMENTS FOR THEIR RESULTING
5 REVENUE LOSS.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 105-277.01 reads as rewritten:

8 "§ 105-277.01. Certain farm products and land with crop allotments classified for
9 taxation at reduced valuation.

10 (a) Farm products (including products, including crops but excluding poultry and
11 other livestock) livestock, held by or for a cooperative stabilization or marketing
12 association or corporation to which they have been delivered, conveyed, or assigned
13 by the original producer for the purpose of sale are hereby designated a special class
14 of property under authority of Article V, Sec. 2(2); Section 2(2) of Article V of the
15 North Carolina Constitution. Before being assessed for taxation the appraised
16 valuation of farm products so classified shall be reduced by the amount of any unpaid
17 loan or advance made or granted thereon by the United States government, an
18 agency of the United States government, or a cooperative stabilization or marketing
19 association or corporation.

20 (b) Land on which there are acreage or poundage allotments for farm
21 commodities is designated a special class of property under authority of Section 2(2)
22 of Article V of the North Carolina Constitution. The value of these allotments shall
23 not be considered in appraising land classified under this subsection."

Section 2. G.S. 105-289(a)(5) reads as rewritten:

"(5) To prepare and distribute annually to each assessor a manual that establishes five expected net income per acre ranges for agricultural land, horticultural land, and forestland, and establishes a method for appraising nonproductive land as a percentage of the lowest use-value established for productive land. The high and low net income amount in each range may differ by no more than fifteen dollars (\$15.00). The basis for establishing each range shall be soil productivity.

For agricultural land, the expected net income per acre ranges shall be based on the actual yields and prices of corn and soybeans over a period of at least the five previous years, and the actual fixed and variable costs, including an imputed management cost, incurred in growing corn and soybeans over the same period of time. ~~The manual shall contain recommended adjustments to the net income per acre ranges for the growing of crops subject to acreage or poundage allotments.~~

Expected net income per acre ranges shall be similarly established for horticultural land and forestland, using typical horticultural or forest products in various growing regions of the State instead of corn and soybeans."

Section 3. Article 12 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-277B. Reimbursement for exclusion of crop allotments.

(a) Submission of Claims. -- On or before January 15, 1999, the governing body of each county and city shall furnish to the Secretary a list of all the allotment land that was required to be listed and assessed as of January 1, 1997. The list shall contain the difference in the value of the land if the value of the crop allotments is considered and if the value of the crop allotments is not considered, as well as the property tax rates in effect in the county or city for the eight years from 1990 through 1997. The list shall also contain the property tax rates in effect for those years in each special district for which the county or city collected taxes in 1997 but whose tax rates were not included in the rates listed for the county or city, and the difference in the value of the allotment land required to be listed as of January 1, 1997, in each district if the value of the crop allotments is considered and if the value of the crop allotments is not considered. The list shall be accompanied by an affidavit attesting to the accuracy of the list and shall be on a form prescribed by the Secretary.

The Secretary shall calculate an average rate for each county and city, and for each special district whose tax rates were not included in the tax rates of a county or city, as the arithmetic mean of the property tax rates in effect in the county, city, or district for the eight years from 1990 through 1997. If a county, city, or district did not have tax rates in effect for the entire eight-year period, the average rate shall be

1 the arithmetic mean of the property rates in effect for the years during the eight-year
2 period that it did have rates in effect.

3 (b) Claims-Based Distribution. -- On or before March 20, 1999, the Secretary shall
4 distribute to each county and city an amount equal to the county or city's crop
5 allotment loss, as defined in subsection (d) of this section. Except as provided in
6 subsection (f) of this section, each year thereafter, on or before April 30, the
7 Secretary shall distribute to each county and city the amount it received the previous
8 year under this subsection.

9 (c) Distribution to Special Districts. -- Of the funds received by each county and
10 city pursuant to subsection (b) of this section, the portion that was received because
11 the county or city was collecting taxes for a special district shall be distributed among
12 the districts in the county or city in proportion to the amount of each special district's
13 allotment levy, as defined in subsection (d) of this section, as soon as practicable after
14 the city or county receives funds under this subsection. The Local Government
15 Commission may adopt rules for the resolution of disputes and correction of errors in
16 the distribution among special districts provided in this paragraph. In addition, the
17 Local Government Commission may adopt rules for the reallocation of funds when a
18 special district is dissolved, merged, or consolidated, or when a special district ceases
19 to levy tax, either temporarily or permanently.

20 (d) Definitions. -- The following definitions apply in this section:

21 (1) Allotment land. -- Land on which there are crop allotments.

22 (2) City. -- Defined in G.S. 153A-1(1).

23 (3) City's crop allotment loss. -- The city's average rate multiplied by
24 the difference in value of allotment land reported to the Secretary
25 under subsection (a) of this section by the city, plus the average
26 rate for each special district for which the city collected taxes in
27 1997, but whose tax rates were not included in the city's rates,
28 multiplied by the difference in value of allotment land in the
29 district reported to the Secretary under subsection (a) of this
30 section in behalf of the district, plus or minus the percentage of
31 this amount that equals the lesser of five percent (5%) or the
32 percentage by which State personal income has increased or
33 decreased during the most recent 12-month period for which State
34 personal income data has been compiled by the Bureau of
35 Economic Analysis of the United States Department of Commerce.

36 (4) County's crop allotment loss. -- The county's average rate
37 multiplied by the difference in value of allotment land reported to
38 the Secretary under subsection (a) of this section by the county,
39 plus the average rate for each special district for which the county
40 collected taxes in 1997, but whose tax rates were not included in
41 the county's rates, multiplied by the difference in value of
42 allotment land in the district reported to the Secretary under
43 subsection (a) of this section in behalf of the district, plus or minus
44 the percentage of this amount that equals the lesser of five percent

(5%) or the percentage by which State personal income has increased or decreased during the most recent 12-month period for which State personal income data has been compiled by the Bureau of Economic Analysis of the United States Department of Commerce.

(5) Crop allotment. -- An acreage or poundage allotment for farm commodities.

(6) Special district's allotment levy. -- The special district's average rate multiplied by the difference in value of allotment land in the district reported to the Secretary under subsection (a) of this section in behalf of the district.

(e) Source of Funds. -- To pay for the distribution required by this section and the cost of making the distribution, the Secretary shall draw from collections received under Division II of Article 4 of this Chapter an amount equal to the amount distributed and the cost of making the distribution.

(f) Correction of Errors. -- If the Secretary discovers that the amount or value of any allotment land listed by a county or city pursuant to subsection (a) of this section was overstated or understated, the Secretary shall adjust the amount to be distributed under subsection (b) as follows. For the distribution to be made in the year following discovery of the overstatement or understatement, the Secretary shall distribute to the county or city the amount it would have received under subsection (b) in 1999 if it had not overstated or understated the amount or value of any allotment land, plus the total amount it failed to receive in 1999 and subsequent years due to understatement of the amount or value of the allotment land, or minus the total amount it received in 1999 and subsequent years due to overstatement of the amount or value of the allotment land. Thereafter, each year the Secretary shall distribute to the county or city the amount it would have received under subsection (b) in 1999 if it had not overstated or understated the amount or value of any allotment land."

Section 4. Section 3 of this act is effective when this act becomes law. The remainder of this act is effective for taxes imposed for taxable years beginning on or after July 1, 1998.

VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE

JUNE 3 , 1997

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS[illegible]

AGENDA

**HOUSE AGRICULTURE COMMITTEE
TUESDAY, JUNE 10, 1997
ROOM 1425
10:00 A.M.**

CALL MEETING TO ORDER

REMARKS BY CHAIRMAN

INTRODUCTION OF PAGES

H.B. #980 - CROP ALLOTMENT TAX APPRAISAL

ANNOUNCEMENTS

ADJOURNMENT

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE**

You are hereby notified that the Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, JUNE 10, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

The following bills will be considered (Bill # & Short Title):

H.B. #980 - CROP ALLOTMENT TAX APPRAISAL

Respectfully,

Representative JOHN W. BROWN
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
10:00 A.M. on THURSDAY, JUNE 5, 1997.

___ Principal Clerk
___ Reading Clerk - House Chamber

ANNA KIDD (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: REP. SANDY HARDY

OFFICE: ROOM 417A

DATE: WEDNESDAY, JUNE 4, 1997

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: TUESDAY, JUNE 10, 1997

TIME: 10:00 A.M.

LOCATION: ROOM 1425

Your Bill (or Bills) will be discussed at this time:

H.B. #980 - CROP ALLOTMENT TAX APPRAISAL

We would like to have you attend this meeting.

Representatives JOHN W. BROWN
Co-Chairs

ANNA KIDD (Committee Clerk)

HOUSE COMMITTEE ON AGRICULTURE

June 10, 1997

The House Committee on Agriculture met in Room 1425 of the Legislative Building on Tuesday, June 10, 1997 at 10:00 a.m. Representative John W. Brown, Chairman, presided. There were 19 members present. The Attendance Sheet indicates members present and will be filed in the Legislative Library as a part of the record of the Minutes.

The purpose of the meeting was to consider House Bill 980, **AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX PURPOSES**. This bill's chief sponsor was Representative Hardy. Representative Baker explained the bill in Representative Hardy's absence. Committee Counsel, Ms. Barbara Riley, provided handouts, which are attached as a matter of record, to further explain HB 980.

There was detailed discussion and objections expressed by members of the Committee regarding House Bill 980 in its present form as it relates to local governments. An amendment to HB 980 was offered by Representative Owens with a motion for its adoption for the purpose of discussion. The motion carried.

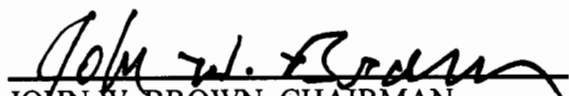
Representative Baker moved that the amendment be rolled into a House Committee Substitute and that the Committee Substitute be given a favorable report and be re-referred to FINANCE, and that the original bill be given an unfavorable report.

Because of the controversy surrounding HB 980, Representative Baker moved for a Roll Call Vote and the motion carried.

The question was called and House Bill 980 was reported favorable as to committee substitute, which changes title, unfavorable as to original bill and recommendation that the committee substitute bill be re-referred to the Committee on Finance. The Roll Call Vote is attached as a matter of record to the Minutes. The vote was eleven (11) yes, nine (9) no.

The title change on the said Committee Substitute reads "**AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX PURPOSES AND TO REIMBURSE LOCAL GOVERNMENTS FOR THEIR RESULTING REVENUE LOSS.**"

The meeting was adjourned at 11:00 a.m.


JOHN W. BROWN, CHAIRMAN

JACKIE HAMBY, CLERK

**1997 COMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

*File
Agriculture
June 10, 1997*

The following report(s) from standing committee(s) is/are presented:

By Representative(s) **J. Brown** for the Committee on **AGRICULTURE**.

☐ Committee Substitute for

H.B. 980 A BILL TO BE ENTITLED AN ACT TO PROVIDE THAT CROP
ALLOTMENTS SHALL NOT BE CONSIDERED IN APPRAISING LAND FOR AD
VALOREM TAX PURPOSES.

☐ With a favorable report.

☐ With a favorable report and recommendation that the bill be re-referred to the Committee on
☐ Appropriations ☐ Finance ☐

☐ With a favorable report, as amended.

☐ With a favorable report, as amended, and recommendation that the bill be re-referred to the
Committee on ☐ Appropriations ☐ Finance ☐

☒ With a favorable report as to committee substitute bill ☒ which changes the title,
unfavorable as to original bill (and recommendation that the committee substitute bill be re-
referred to the Committee on FINANCE.)

☐ With a favorable report as to House committee substitute bill (#), ☐ which changes
the title, unfavorable as to Senate committee substitute bill.

☐ And having received a unanimous vote in committee, is placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

☐ With an unfavorable report.

☐ With recommendation that the House concur.

☐ With recommendation that the House do not concur.

☐ With recommendation that the House do not concur; request conferees.

☐ With recommendation that the House concur; committee believes bill to be material.

☐ With an unfavorable report, with a Minority Report attached.

☐ Without prejudice.

☐ With an indefinite postponement report.

☐ With an indefinite postponement report, with a Minority Report attached.

☐ With recommendation that it be adopted. (HOUSE RESOLUTION ONLY)

4/24/97

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 980
Proposed Committee Substitute H980-PCS2347

Short Title: Crop Allotment Tax Appraisal.

(Public)

Sponsors:

Referred to:

April 17, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE
3 CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX PURPOSES
4 AND TO REIMBURSE LOCAL GOVERNMENTS FOR THEIR RESULTING
5 REVENUE LOSS.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 105-277.01 reads as rewritten:

8 "**§ 105-277.01. Certain farm products and land with crop allotments classified for**
9 **taxation at reduced valuation.**

10 (a) ~~Farm products (including~~ products, including crops but excluding poultry and
11 ~~other livestock)~~ livestock, held by or for a cooperative stabilization or marketing
12 association or corporation to which they have been delivered, conveyed, or assigned
13 by the original producer for the purpose of sale are hereby designated a special class
14 of property under authority of ~~Article V, Sec. 2(2)~~, Section 2(2) of Article V of the
15 North Carolina Constitution. Before being assessed for taxation the appraised
16 valuation of farm products so classified shall be reduced by the amount of any unpaid
17 loan or advance made or granted thereon by the United States government, an
18 agency of the United States government, or a cooperative stabilization or marketing
19 association or corporation.

20 (b) Land on which there are acreage or poundage allotments for farm
21 commodities is designated a special class of property under authority of Section 2(2)
22 of Article V of the North Carolina Constitution. The value of these allotments shall
23 not be considered in appraising land classified under this subsection."

Section 2. G.S. 105-289(a)(5) reads as rewritten:

"(5) To prepare and distribute annually to each assessor a manual that establishes five expected net income per acre ranges for agricultural land, horticultural land, and forestland, and establishes a method for appraising nonproductive land as a percentage of the lowest use-value established for productive land. The high and low net income amount in each range may differ by no more than fifteen dollars (\$15.00). The basis for establishing each range shall be soil productivity.

For agricultural land, the expected net income per acre ranges shall be based on the actual yields and prices of corn and soybeans over a period of at least the five previous years, and the actual fixed and variable costs, including an imputed management cost, incurred in growing corn and soybeans over the same period of time. ~~The manual shall contain recommended adjustments to the net income per acre ranges for the growing of crops subject to acreage or poundage allotments.~~

Expected net income per acre ranges shall be similarly established for horticultural land and forestland, using typical horticultural or forest products in various growing regions of the State instead of corn and soybeans."

Section 3. Article 12 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-277B. Reimbursement for exclusion of crop allotments.

(a) Submission of Claims. -- On or before January 15, 1999, the governing body of each county and city shall furnish to the Secretary a list of all the allotment land that was required to be listed and assessed as of January 1, 1997, and was appraised and assessed at a value based on consideration of the value of the crop allotments. The list shall contain the difference in the value at which the land was assessed and the value at which it would have been assessed if the value of the crop allotments had not been considered, and shall contain the property tax rates in effect in the county or city for the eight years from 1990 through 1997. The list shall also contain the property tax rates in effect for those years in each special district for which the county or city collected taxes in 1997 but whose tax rates were not included in the rates listed for the county or city, and the difference in the value of the allotment land required to be listed as of January 1, 1997, in each district if the value of the crop allotments is considered and if the value of the crop allotments is not considered. The list shall be accompanied by an affidavit attesting to the accuracy of the list and shall be on a form prescribed by the Secretary.

The Secretary shall calculate an average rate for each county and city, and for each special district whose tax rates were not included in the tax rates of a county or city, as the arithmetic mean of the property tax rates in effect in the county, city, or district for the eight years from 1990 through 1997. If a county, city, or district did not have tax rates in effect for the entire eight-year period, the average rate shall be

1 the arithmetic mean of the property rates in effect for the years during the eight-year
2 period that it did have rates in effect.

3 (b) Claims-Based Distribution. -- On or before March 20, 1999, the Secretary shall
4 distribute to each county and city an amount equal to the county or city's crop
5 allotment loss, as defined in subsection (d) of this section. Except as provided in
6 subsection (f) of this section, each year thereafter, on or before April 30, the
7 Secretary shall distribute to each county and city the amount it received the previous
8 year under this subsection.

9 (c) Distribution to Special Districts. -- Of the funds received by each county and
10 city pursuant to subsection (b) of this section, the portion that was received because
11 the county or city was collecting taxes for a special district shall be distributed among
12 the districts in the county or city in proportion to the amount of each special district's
13 allotment levy, as defined in subsection (d) of this section, as soon as practicable after
14 the city or county receives funds under this subsection. The Local Government
15 Commission may adopt rules for the resolution of disputes and correction of errors in
16 the distribution among special districts provided in this paragraph. In addition, the
17 Local Government Commission may adopt rules for the reallocation of funds when a
18 special district is dissolved, merged, or consolidated, or when a special district ceases
19 to levy tax, either temporarily or permanently.

20 (d) Definitions. -- The following definitions apply in this section:

21 (1) Allotment land. -- Land on which there are crop allotments.

22 (2) City. -- Defined in G.S. 153A-1(1).

23 (3) City's crop allotment loss. -- The city's average rate multiplied by
24 the difference in value of allotment land reported to the Secretary
25 under subsection (a) of this section by the city, plus the average
26 rate for each special district for which the city collected taxes in
27 1997, but whose tax rates were not included in the city's rates,
28 multiplied by the difference in value of allotment land in the
29 district reported to the Secretary under subsection (a) of this
30 section in behalf of the district, plus or minus the percentage of
31 this amount that equals the lesser of five percent (5%) or the
32 percentage by which State personal income has increased or
33 decreased during the most recent 12-month period for which State
34 personal income data has been compiled by the Bureau of
35 Economic Analysis of the United States Department of Commerce.

36 (4) County's crop allotment loss. -- The county's average rate
37 multiplied by the difference in value of allotment land reported to
38 the Secretary under subsection (a) of this section by the county,
39 plus the average rate for each special district for which the county
40 collected taxes in 1997, but whose tax rates were not included in
41 the county's rates, multiplied by the difference in value of
42 allotment land in the district reported to the Secretary under
43 subsection (a) of this section in behalf of the district, plus or minus
44 the percentage of this amount that equals the lesser of five percent

(5%) or the percentage by which State personal income has increased or decreased during the most recent 12-month period for which State personal income data has been compiled by the Bureau of Economic Analysis of the United States Department of Commerce.

(5) Crop allotment. -- An acreage or poundage allotment for farm commodities.

(6) Special district's allotment levy. -- The special district's average rate multiplied by the difference in value of allotment land in the district reported to the Secretary under subsection (a) of this section in behalf of the district.

(e) Source of Funds. -- To pay for the distribution required by this section and the cost of making the distribution, the Secretary shall draw from collections received under Division II of Article 4 of this Chapter an amount equal to the amount distributed and the cost of making the distribution.

(f) Correction of Errors. -- If the Secretary discovers that the amount or value of any allotment land listed by a county or city pursuant to subsection (a) of this section was overstated or understated, the Secretary shall adjust the amount to be distributed under subsection (b) as follows. For the distribution to be made in the year following discovery of the overstatement or understatement, the Secretary shall distribute to the county or city the amount it would have received under subsection (b) in 1999 if it had not overstated or understated the amount or value of any allotment land, plus the total amount it failed to receive in 1999 and subsequent years due to understatement of the amount or value of the allotment land, or minus the total amount it received in 1999 and subsequent years due to overstatement of the amount or value of the allotment land. Thereafter, each year the Secretary shall distribute to the county or city the amount it would have received under subsection (b) in 1999 if it had not overstated or understated the amount or value of any allotment land."

Section 4. Section 3 of this act is effective when this act becomes law. The remainder of this act is effective for taxes imposed for taxable years beginning on or after July 1, 1998.

ROLL CALL VOTE

$$\frac{\text{YES}}{\text{NO}} = \text{____} (\text{TOTAL})$$

HB# 980 #1
SB#

HOUSE STANDING COMMITTEE ON AGRICULTURE

"Chop Allotment TAX
Appraisal".

House Subcommittee on _____

YES	NO	MEMBER (last name)	YES	NO	MEMBER (last name)
☒		BROWN,CHAIR			
☒		CULP, V.CHAIR			
☒		CARPENTER, V.CHAIR			
	☒	MITCHELL, V.CHAIR			
	☒	HILL, RANKING M.M.			
	☒	ALDRIDGE			WEATHERLY
☒		BAKER		☒	YONGUE
	☒	BUCHANAN			
	☐	DAVIS			
☒		EDDINS			
	☒	FOX			
		HARDAWAY			
	☒	HIGHTOWER			
		HUNTER,H.			
		KISER			
	☒	MCCRARY			
		MERCER			
		NICHOLS			
☒		OWENS			
☒		REYNOLDS			
☒		ROGERS			
	☒	SMITH	Ex officio Members		
☒		TOLSON			Speaker Pro Tem
☒		WATSON			Majority Leader

Anna Kidd (Rep. J.Brown)

From: Audrey Johnson (Rep. Davis)
Sent: Monday, June 09, 1997 5:36 PM
To: Anna Kidd (Rep. J.Brown)
Subject: Rep Davis Absent from Agriculture Comm Meeting

I wanted to let you know Rep. Davis will not be able to attend the Agriculture Committee meeting tomorrow, June 10th at 10:00AM.

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE CONSIDERED IN APPRAISING
LAND FOR AD VALOREM TAX PURPOSES.

Introduced by Representative(s) (Hardy, Hall Baker Aldridge and Daughtry)
Morris
Starnes
Parker
Dennis
Thomson
Casper
Clayton
H. D. Smith
Hart
N. Decker
W. Edmon

Principal Clerk's Use Only
C. Carole
Berry

Amold
H. Brown
Mitchell

Creach
14114

PASSED 1st READING
APR 17 1997
AND REFERRED TO COMMITTEE
ON Agriculture

if favorable, Finance

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 980

Short Title: Crop Allotment Tax Appraisal.

(Public)

Sponsors: Representatives Hardy, Baker, Daughtry; Aldridge, Arnold, Berry, Brown, Cansler, Capps, Clary, Creech, Davis, Decker, Eddins, Hall, Hiatt, Hill, McComas, Miner, Mitchell, Morris, Nichols, Russell, Sherrill, Starnes, and G. Wilson.

Referred to: Agriculture, if favorable, Finance.

April 17, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE
3 CONSIDERED IN APPRAISING LAND FOR AD VALOREM TAX
4 PURPOSES.
5 The General Assembly of North Carolina enacts:
6 Section 1. G.S. 105-277.01 reads as rewritten:
7 "§ 105-277.01. Certain farm products and land with crop allotments classified for
8 taxation at reduced valuation.
9 (a) Farm products (including products, including crops but excluding poultry and
10 other livestock) livestock, held by or for a cooperative stabilization or marketing
11 association or corporation to which they have been delivered, conveyed, or assigned
12 by the original producer for the purpose of sale are hereby designated a special class
13 of property under authority of ~~Article V, Sec. 2(2)~~, Section 2(2) of Article V of the
14 North Carolina Constitution. Before being assessed for taxation the appraised
15 valuation of farm products so classified shall be reduced by the amount of any unpaid
16 loan or advance made or granted thereon by the United States government, an
17 agency of the United States government, or a cooperative stabilization or marketing
18 association or corporation.
19 (b) Land on which there are acreage or poundage allotments for farm
20 commodities is designated a special class of property under authority of Section 2(2)

1 of Article V of the North Carolina Constitution. The value of these allotments shall
2 not be considered in appraising land classified under this subsection."

3 Section 2. G.S. 105-289(a)(5) reads as rewritten:

4 "(5) To prepare and distribute annually to each assessor a manual that
5 establishes five expected net income per acre ranges for
6 agricultural land, horticultural land, and forestland, and establishes
7 a method for appraising nonproductive land as a percentage of the
8 lowest use-value established for productive land. The high and
9 low net income amount in each range may differ by no more than
10 fifteen dollars (\$15.00). The basis for establishing each range shall
11 be soil productivity.

12 For agricultural land, the expected net income per acre ranges
13 shall be based on the actual yields and prices of corn and soybeans
14 over a period of at least the five previous years, and the actual
15 fixed and variable costs, including an imputed management cost,
16 incurred in growing corn and soybeans over the same period of
17 time. ~~The manual shall contain recommended adjustments to the~~
18 ~~net income per acre ranges for the growing of crops subject to~~
19 ~~acreage or poundage allotments.~~

20 Expected net income per acre ranges shall be similarly
21 established for horticultural land and forestland, using typical
22 horticultural or forest products in various growing regions of the
23 State instead of corn and soybeans."

24 Section 3. This act is effective for taxes imposed for taxable years
25 beginning on or after July 1, 1998.



**North Carolina General Assembly
Legislative Services Office**

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April 28, 1997

TO: House Agriculture Committee

FROM: Barbara Riley, Committee Counsel

RE: **House Bill 980: Crop Allotment Tax Appraisal**

House Bill 980, introduced by Representative Hardy, amends the property tax laws to provide that the value of crop allotments (primarily peanuts and tobacco) may not be considered in appraising land for tax purposes. Land to which such an allotment is attached is classified as a special class of property under Section 2(2) of Article V of the North Carolina Constitution.

Section 2 amends G.S. 105-289(a)(5), which sets forth the duty of the Department of Revenue to prepare an assessor's manual for valuing expected net income from agricultural land, by deleting the requirement that the manual contain recommended adjustments to the net income per acre for growing crops subject to allotments.

The act is effective for taxable years beginning on or after July 1, 1998.



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(919) 733-2578

April 21, 1997

TO: House Agriculture Committee

FROM: Barbara Riley, Committee Counsel

RE: **House Bill 980: Crop Allotment Tax Appraisal**

Attached please find the Department of Revenue's estimates, county by county, of tax revenue losses for those counties taxing peanut and tobacco allotments. The data also includes charts with estimates of potential revenues for those counties that do not currently tax peanut and tobacco allotments.

ESTIMATE OF TAX REVENUE LOSS FOR COUNTIES TAXING PEANUT ALLOTMENTS

COUNTY	PEANUT PRODUCTION [POUNDS]	ALLOTMENT VALUE PER POUND	TAX RATE PER \$100 OF ASSESSED VALUE	ESTIMATE OF TAX REVENUE
BERTIE	46,209,000	0.30	0.76	\$105,357
BLADEN	8,295,000	0.20	0.7375	\$12,235
CRAVEN	125,000	0.29	0.585	\$212
EDGECOMBE	26,892,000	0.30	0.88	\$70,995
GATES	23,020,000	0.30	0.88	\$60,773
GREENE	292,000	0.38	0.835	\$927
HALIFAX*	54,469,000	0.38	0.69	\$142,818
HERTFORD	32,124,000	0.32	0.96	\$98,685
MARTIN	38,341,000	0.30	0.77	\$88,568
NASH	5,728,000	0.30	0.61	\$10,482
NORTHAMPTON	63,481,000	0.28	0.76	\$135,088
PENDER	676,000	0.10	0.61	\$412
PITT	9,100,000	0.38	0.66	\$22,823
WASHINGTON	6,632,000	0.25	0.92	\$15,254
TOTAL				\$764,627

EXPLANATORY NOTES:

[1.] PRODUCTION NUMBERS ARE FROM NORTH CAROLINA AGRICULTURAL STATISTICS [1996 EDITION] AND ARE FOR 1995 (THE LATEST AVAILABLE PRODUCTION NUMBERS ON A COUNTY BY COUNTY BASIS).

[2.] *ESTIMATE OF TAX REVENUE ASSUMES THAT PRODUCTION NUMBERS ARE CLOSELY REPRESENTATIVE OF ACTUAL ALLOTMENTS AND THAT THE COUNTIES ARE ASSESSING FOR ALL OF THE ALLOTMENT.

[3.] TAX RATES ARE FOR FISCAL YEAR 1996-1997 (SOURCE: N C DEPT OF REVENUE TAX RESEARCH DIVISION)

[4.] ASSUMPTION FOR THIS PURPOSE IS THAT ALL PROPERTIES ARE OUTSIDE OF CITY LIMITS. ONLY THE BASE COUNTY RATE WAS USED. REVENUE WOULD BE HIGHER FOR ALL PROPERTIES IN THE CITY LIMITS.

[5.] THIS LIST OF COUNTIES WHICH ARE TAXING ALLOTMENTS IS DERIVED FROM A 1996 SURVEY BY THE N C DEPT OF REVENUE AD VALOREM TAX DIVISION TO THE INDIVIDUAL COUNTIES.

[6.] VERIFICATION BY PHONE HAS BEEN ATTEMPTED BUT NOT ALL COUNTIES HAVE BEEN VERIFIED. WHERE NO VERIFICATION WAS OBTAINED, THE TAX VALUATION RATE FOR THE ALLOTMENT WAS TAKEN FROM THE USE VALUE ADVISORY BOARD RECOMMENDED RATES. THOSE COUNTIES WHICH WERE NOT VERIFIED WILL BE INDICATED BY AN ASTERISK (*) AFTER THEIR NAME.

ESTIMATE OF POTENTIAL TAX REVENUE FOR COUNTIES NOT TAXING PEANUT ALLOTMENTS

COUNTY	PEANUT PRODUCTION [POUNDS]	ALLOTMENT VALUE PER POUND	TAX RATE PER \$100 OF ASSESSED VALUE	ESTIMATE OF TAX REVENUE
ALAMANCE	0	0.38		
ALEXANDER	0	0.38		
ALLEGHANY	0	0.38	0.5300	\$0
ANSON	0	0.38	0.5800	\$0
ASHE	0	0.38	0.8350	\$0
AVERY	0	0.38	0.5800	\$0
BEAUFORT	481,000	0.38	0.5800	\$0
BRUNSWICK	0	0.38	0.6000	\$1,097
BUNCOMBE	0	0.38	0.6850	\$0
BURKE	0	0.38	0.7300	\$0
CABARRUS	0	0.38	0.5900	\$0
CALDWELL	0	0.38	0.6100	\$0
CAMDEN	0	0.38	0.6390	\$0
CARTERET	0	0.38	0.7500	\$0
CASWELL	0	0.38	0.5050	\$0
CATAWBA	0	0.38	0.7050	\$0
CHATHAM	0	0.38	0.5200	\$0
CHEROKEE	0	0.38	0.7400	\$0
CHOWAN	17,828,000	0.38	0.4700	\$0
CLAY	0	0.38	0.7700	\$52,165
CLEVELAND	0	0.38	0.4300	\$0
COLUMBUS	2,563,000	0.38	0.6200	\$0
CUMBERLAND	418,000	0.38	0.7800	\$7,597
CURRITUCK	136,000	0.38	0.7500	\$1,191
DARE	0	0.38	0.6500	\$336
DAVIDSON	0	0.38	0.4000	\$0
			0.5400	\$0

DAVIE	0	0.38	0.6000	\$0
DUPLIN	0	0.38	0.7750	\$0
DURHAM	0	0.38	0.9597	\$0
FORSYTH	0	0.38	0.7264	\$0
FRANKLIN	0	0.38	0.9000	\$0
GASTON	0	0.38	0.8410	\$0
GRAHAM	0	0.38	0.6000	\$0
GRANVILLE	0	0.38	0.7200	\$0
GUILFORD	0	0.38	0.6572	\$0
HARNETT	0	0.38	0.7000	\$0
HAYWOOD	0	0.38	0.6100	\$0
HENDERSON	0	0.38	0.5150	\$0
HOKE	0	0.38	0.9400	\$0
HYDE	0	0.38	0.8900	\$0
IREDELL	0	0.38	0.4500	\$0
JACKSON	0	0.38	0.5300	\$0
JOHNSTON	134,000	0.38	0.7400	\$377
JONES	0	0.38	0.8400	\$0
LEE	0	0.38	0.6800	\$0
LENOIR	41,000	0.38	0.7500	\$117
LINCOLN	0	0.38	0.6150	\$0
MACON	0	0.38	0.4950	\$0
MADISON	0	0.38	0.6500	\$0
MCDOWELL	0	0.38	0.6375	\$0
MECKLENBURG	0	0.38	0.7300	\$0
MITCHELL	0	0.38	0.5400	\$0
MONTGOMERY	0	0.38	0.6700	\$0
MOORE	0	0.38	0.4500	\$0
NEW HANOVER	0	0.38	0.6450	\$0
ONSLOW	11000	0.38	0.6440	\$27
ORANGE	0	0.38	0.9975	\$0
PAMLICO	0	0.38	0.6943	\$0
PASQUOTANK	315,000	0.38	0.7700	\$922
PERQUIMANS	8,927,000	0.38	0.7800	\$26,460
PERSON	0	0.38	0.6500	\$0
POLK	0	0.38	0.4933	\$0
RANDOLPH	0	0.38	0.4650	\$0
RICHMOND	0	0.38	0.9700	\$0

ROBESON	169000	0.38	0.8100	\$520
ROCKINGHAM	0	0.38	0.8100	\$0
ROWAN	0	0.38	0.6375	\$0
RUTHERFORD	0	0.38	0.5500	\$0
SAMPSON	368,000	0.38	0.6700	\$937
SCOTLAND	0	0.38	0.9500	\$0
STANLY	0	0.38	0.6675	\$0
STOKES	0	0.38	0.5700	\$0
SURRY	0	0.38	0.5200	\$0
SWAIN	0	0.38	0.5700	\$0
TRANSYLVANIA	0	0.38	0.5410	\$0
TYRRELL	146,000	0.38	1.0300	\$571
UNION	0	0.38	0.6600	\$0
VANCE	0	0.38	0.8000	\$0
WAKE	0	0.38	0.6300	\$0
WARREN	0	0.38	0.8800	\$0
WATAUGA	0	0.38	0.4350	\$0
WAYNE	17000	0.38	0.6500	\$42
WILKES	0	0.38	0.6300	\$0
WILSON	91000	0.38	0.7700	\$266
YADKIN	0	0.38	0.6800	\$0
YANCEY	0	0.38	0.5000	\$0
			TOTAL	\$92,624

EXPLANATORY NOTES:

[1.] PRODUCTION NUMBERS ARE FROM NORTH CAROLINA AGRICULTURAL STATISTICS [1996 EDITION] AND ARE FOR 1995 (THE LATEST AVAILABLE PRODUCTION NUMBERS ON A COUNTY BY COUNTY BASIS).

[2.] ESTIMATE OF TAX REVENUE ASSUMES THAT PRODUCTION NUMBERS ARE CLOSELY REPRESENTATIVE OF ACTUAL ALLOTMENTS AND THAT THE COUNTIES WOULD BE ASSESSING FOR ALL OF THE ALLOTMENT.

[3.] TAX RATES ARE FOR FISCAL YEAR 1996-1997 (SOURCE: N C DEPT OF REVENUE TAX RESEARCH DIVISION)

[4.] ASSUMPTION FOR THIS PURPOSE IS THAT ALL PROPERTIES ARE OUTSIDE OF CITY LIMITS. ONLY

THE BASE COUNTY RATE WAS USED. REVENUE WOULD BE HIGHER FOR ALL PROPERTIES IN THE CITY LIMITS.

[5.] THIS LIST OF COUNTIES WHICH ARE NOT TAXING ALLOTMENTS IS DERIVED FROM A 1996 SURVEY BY THE N C DEPT OF REVENUE AD VALOREM TAX DIVISION TO THE INDIVIDUAL COUNTIES.

[6.] SINCE THE ABOVE COUNTIES DO NOT APPEAR TO BE TAXING THE ALLOTMENT (PER THE 1996 N C DOR SURVEY), THE USE VALUE ADVISORY BOARD RECOMMENDED RATES HAVE BEEN USED TO ESTIMATE TAX REVENUE.

ESTIMATE OF TAX REVENUE LOSS FOR COUNTIES TAXING TOBACCO ALLOTMENTS

COUNTY	TOBACCO PRODUCTION [POUNDS]	ALLOTMENT VALUE PER POUND	TAX RATE PER \$100 OF ASSESSED VALUE	ESTIMATE OF TAX REVENUE
ALAMANCE	3,726,000	1.31	0.53	\$25,870
AVERY	182,000	1.21	0.58	\$1,277
BERTIE	6,328,000	1.81	0.76	\$87,048
BLADEN	6,449,000	1.60	0.7375	\$76,098
CARTERET*	1,376,000	2.01	0.5050	\$13,967
CASWELL	7,892,000	1.28	0.705	\$71,217
CRAVEN	8,631,000	1.93	0.585	\$97,448
CUMBERLAND	4,114,000	2.00	0.75	\$61,710
DAVIE	770,000	0.40	0.60	\$1,848
EDGECOMBE	12,562,000	1.77	0.88	\$195,666
FORSYTH	4,006,000	1.63	0.7264	\$47,432
GATES	267,000	1.75	0.88	\$4,112
GREENE	12,560,000	2.08	0.835	\$218,142
GUILFORD	7,796,000	1.71	0.6572	\$87,612
HALIFAX*	5,767,000	2.08	0.69	\$82,768
HERTFORD	3,496,000	1.75	0.96	\$58,733
IREDELL	994,000	0.75	0.45	\$3,355
LEE	3,257,000	0.0025	0.68	\$55
MARTIN	10,100,000	1.75	0.77	\$136,098
NASH	22,412,000	1.59	0.61	\$217,374
NORTHAMPTON	412,000	1.56	0.76	\$4,885
ONslow	5,191,000	1.00	0.644	\$33,430
PENDER	2,772,000	1.25	0.61	\$21,137
PERSON	9,488,000	1.71	0.65	\$105,459
PITT	25,155,000	2.00	0.66	\$332,046
ROBESON	23,598,000	1.00	0.81	\$191,144

WARREN	6,102,000	1.25	0.88	\$67,122
WASHINGTON	879,000	1.00	0.92	\$8,087
WAYNE	17,817,000	2.00	0.65	\$231,621
WILSON	20,180,000	1.73	0.77	\$268,818
TOTAL				\$2,751,578

EXPLANATORY NOTES:

- [1.] PRODUCTION NUMBERS ARE FROM NORTH CAROLINA AGRICULTURAL STATISTICS [1996 EDITION] AND ARE FOR 1995 (THE LATEST AVAILABLE PRODUCTION NUMBERS ON A COUNTY BY COUNTY BASIS).
- [2.] ESTIMATE OF TAX REVENUE ASSUMES THAT PRODUCTION NUMBERS ARE CLOSELY REPRESENTATIVE OF ACTUAL ALLOTMENTS AND THAT THE COUNTIES ARE ASSESSING FOR ALL OF THE ALLOTMENT.
- [3.] TAX RATES ARE FOR FISCAL YEAR 1996-1997 (SOURCE: N C DEPT OF REVENUE TAX RESEARCH DIVISION)
- [4.] ASSUMPTION FOR THIS PURPOSE IS THAT ALL PROPERTIES ARE OUTSIDE OF CITY LIMITS. ONLY THE BASE COUNTY RATE WAS USED. REVENUE WOULD BE HIGHER FOR ALL PROPERTIES IN THE CITY LIMITS.
- [5.] THIS LIST OF COUNTIES WHICH ARE TAXING ALLOTMENTS IS DERIVED FROM A 1996 SURVEY BY THE N C DEPT OF REVENUE AD VALOREM TAX DIVISION TO THE INDIVIDUAL COUNTIES.
- [6.] VERIFICATION BY PHONE HAS BEEN ATTEMPTED BUT NOT ALL COUNTIES HAVE BEEN VERIFIED. WHERE NO VERIFICATION WAS OBTAINED, THE TAX VALUATION RATE FOR THE ALLOTMENT WAS TAKEN FROM THE USE VALUE ADVISORY BOARD RECOMMENDED RATES. THOSE COUNTIES WHICH WERE NOT VERIFIED WILL BE INDICATED BY AN ASTERISK (*) AFTER THEIR NAME.

ESTIMATE OF POTENTIAL TAX REVENUE FOR COUNTIES NOT TAXING TOBACCO ALLOTMENTS

COUNTY	TOBACCO PRODUCTION [POUNDS]	ALLOTMENT VALUE PER POUND	TAX RATE PER \$100 OF ASSESSED VALUE	ESTIMATE OF TAX REVENUE
ALEXANDER	1,134,000	1.71	0.5300	\$10,277
ALLEGHANY	416,000	1.22	0.5800	\$2,944
ANSON	172,000	1.71	0.8350	\$2,456
ASHE	1,032,000	1.22	0.5800	\$7,302
BEAUFORT	8,398,000	2.01	0.6000	\$101,280
BRUNSWICK	3,361,000	2.01	0.6850	\$46,276
BUNCOMBE	1,508,000	1.22	0.7300	\$13,430
BURKE	1,000	1.71	0.5900	\$10
CABARRUS	0	1.71	0.6100	\$0
CALDWELL	505,000	1.71	0.6390	\$5,518
CAMDEN	0	2.02	0.7500	\$0
CATAWBA	0	1.71	0.5200	\$0
CHATHAM	1,814,000	1.71	0.7400	\$22,954
CHEROKEE	93,000	1.22	0.4700	\$533
CHOWAN	596,000	2.02	0.7700	\$9,270
CLAY	111,000	1.22	0.4300	\$582
CLEVELAND	0	1.71	0.6200	\$0
COLUMBUS	21,582,000	2.01	0.7800	\$338,363
CURRITUCK	0	2.02	0.6500	\$0
DARE	0	2.02	0.4000	\$0
DAVIDSON	3,080,000	1.71	0.5400	\$28,441
DUPLIN	15,806,000	2.08	0.7750	\$254,793
DURHAM	2,158,000	1.71	0.9597	\$35,415
FRANKLIN	12,552,000	1.71	0.9000	\$193,175
GASTON	0	1.71	0.8410	\$0
GRAHAM	258,000	1.22	0.6000	\$1,889

GRANVILLE	12,740,000	1.71	0.7200	\$156,855
HARNETT	12,888,000	2.08	0.7000	\$187,649
HAYWOOD	1,038,000	1.22	0.6100	\$7,725
HENDERSON	22,000	1.22	0.5150	\$138
HOKE	2,565,000	2.10	0.9400	\$50,633
HYDE	0	2.02	0.8900	\$0
JACKSON	62,000	1.22	0.5300	\$401
JOHNSTON	22,236,000	2.08	0.7400	\$342,257
JONES	5,343,000	2.01	0.8400	\$90,211
LENOIR	16,676,000	2.01	0.7500	\$251,391
LINCOLN	0	1.71	0.6150	\$0
MACON	37,000	1.22	0.4950	\$223
MADISON	2,917,000	1.22	0.6500	\$23,132
MCDOWELL	0	1.22	0.6375	\$0
MECKLENBURG	0	1.71	0.7300	\$0
MITCHELL	673,000	1.22	0.5400	\$4,434
MONTGOMERY	958,000	1.71	0.6700	\$10,976
MOORE	5,009,000	2.10	0.4500	\$47,335
NEW HANOVER	54,000	2.01	0.6450	\$700
ORANGE	3,383,000	1.71	0.9975	\$57,705
PAMLICO	790,000	2.02	0.6943	\$11,080
PASQUOTANK	0	2.02	0.7700	\$0
PERQUIMANS	0	2.02	0.7800	\$0
POLK	0	1.22	0.4933	\$0
RANDOLPH	2,274,000	1.71	0.4650	\$18,082
RICHMOND	2,108,000	2.10	0.9700	\$42,940
ROCKINGHAM	11,616,000	1.71	0.8100	\$160,893
ROWAN	13,000	1.71	0.6375	\$142
RUTHERFORD	3,000	1.71	0.5500	\$28
SAMPSON	11,718,000	2.08	0.6700	\$163,302
SCOTLAND	1,061,000	2.08	0.9500	\$20,965
STANLY	0	1.71	0.6675	\$0
STOKES	10,101,000	1.71	0.5700	\$98,454
SURRY	10,737,000	1.71	0.5200	\$95,473
SWAIN	57,000	1.22	0.5700	\$396
TRANSYLVANIA	18,000	1.22	0.5410	\$119
TYRRELL	0	2.02	1.0300	\$0
UNION	0	1.71	0.6600	\$0

VANCE	8,536,000	1.71	0.8000	\$116,772
WAKE	18,946,000	1.71	0.6300	\$204,105
WATAUGA	888,000	1.22	0.4350	\$4,713
WILKES	1,456,000	1.71	0.6300	\$15,685
YADKIN	7,687,000	1.71	0.6800	\$89,384
YANCEY	1,122,000	1.22	0.5000	\$6,844
			TOTAL	\$3,356,052

EXPLANATORY NOTES:

[1.] PRODUCTION NUMBERS ARE FROM NORTH CAROLINA AGRICULTURAL STATISTICS [1996 EDITION] AND ARE FOR 1995 (THE LATEST AVAILABLE PRODUCTION NUMBERS ON A COUNTY BY COUNTY BASIS).

[2.] ESTIMATE OF TAX REVENUE ASSUMES THAT PRODUCTION NUMBERS ARE CLOSELY REPRESENTATIVE OF ACTUAL ALLOTMENTS AND THAT THE COUNTIES WOULD BE ASSESSING FOR ALL OF THE ALLOTMENT.

[3.] TAX RATES ARE FOR FISCAL YEAR 1996-1997 (SOURCE: N C DEPT OF REVENUE TAX RESEARCH DIVISION)

[4.] ASSUMPTION FOR THIS PURPOSE IS THAT ALL PROPERTIES ARE OUTSIDE OF CITY LIMITS. ONLY THE BASE COUNTY RATE WAS USED. REVENUE WOULD BE HIGHER FOR ALL PROPERTIES IN THE CITY LIMITS.

[5.] THIS LIST OF COUNTIES WHICH ARE NOT TAXING ALLOTMENTS IS DERIVED FROM A 1996 SURVEY BY THE N C DEPT OF REVENUE AD VALOREM TAX DIVISION TO THE INDIVIDUAL COUNTIES.

[6.] SINCE THE ABOVE COUNTIES DO NOT APPEAR TO BE TAXING THE ALLOTMENT (PER THE 1996 N C DOR SURVEY), THE USE VALUE ADVISORY BOARD RECOMMENDED RATES HAVE BEEN USED TO ESTIMATE TAX REVENUE.

NORTH CAROLINA GENERAL ASSEMBLY
PENDING HOUSE COMMITTEE ON
AGRICULTURE

Date: 6/ 5/97
Time: 12:19 p.m.
Page: 1
Leg. day:H-074/S-074

1997-98 Biennium

<u>BILL</u>	<u>SHORT TITLE</u>		<u>DATE</u>	<u>LATEST ACTION</u>
H 980=	CROP ALLOTMENT TAX APPRAISAL	H	4-17-97	REF TO COM ON AGRICULT
H1015=	CROP ALLOTMENT TAX APPRAISAL	H	4-21-97	REF TO COM ON AGRICULT

Bolded line indicates bill is an appropriation bill.

* indicates that text of original bill was changed by some action.

= sign indicates that the original bill is identical to another bill.

1015

H.B. _____

CHAP. _____

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT CROP ALLOTMENTS SHALL NOT BE CONSIDERED IN APPRAISING
LAND FOR AD VALOREM TAX PURPOSES.

Introduced by Representative(s)

• Russell

• *Stamer*• *Bohner*• *[Signature]*

Principal Clerk's Use Only

PASSED 1st READING

APR 21 1997

AND REFERRED TO COMMITTEE

ON *Agriculture, et al.**favorable, Finance*

VISITOR REGISTRATION SHEET

HOUSE AGRICULTURE COMMITTEE
Name of Committee

JUNE 10, 1997
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS[illegible]



**North Carolina General Assembly
Legislative Services Office**

George R. Hall, Legislative Services Officer
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February 11, 1997

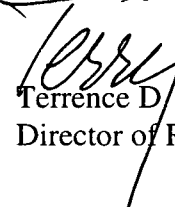
Representative John Brown
Room 1111
State Legislative Building
Raleigh, North Carolina 27603

Dear Representative Brown:

As we discussed, I have asked Ms. Barbara Riley to serve as counsel to the House Agriculture Committee, which you chair. She will attend the meetings of the Committee when it meets on Tuesdays at 10 a.m. In accordance with the Committee's directions as expressed through the Chair, Ms. Riley will aid in analyzing proposed legislation and drafting amendments and committee substitutes. Like other staff, Ms. Riley will also staff several other committees.

My best wishes go to you and the House Agriculture Committee in its work. If I can be of any service to you or the Committee, please contact me.

Yours truly,


Terrence D. Sullivan
Director of Research

cc. The Honorable Harold Brubaker
Ms. Barbara Riley
Mr. George R. Hall, Jr.

Anna Kidd (Rep. J.Brown)

From: Anna Kidd (Rep. J.Brown)
Sent: Wednesday, February 19, 1997 1:42 PM
To: @House/Agriculture/Ciks
Subject: AGRICULTURE BREAKFAST



ALL HOUSE AGRICULTURE MEMBERS ARE INVITED TO
BREAKFAST ON WEDNESDAY, FEBRUARY 26, 1997 AT 7:00 A.M.
AT THE FARMERS MARKET RESTAURANT ON 1240 FARMER'S
MARKET DRIVE IN RALEIGH.

THE BREAKFAST WILL BE SPONSORED BY MR. ROGER BONE
WITH BONE AND ASSOCIATES.