

1998

**HOUSE
AGRICULTURE**

MINUTES

**HOUSE STANDING COMMITTEE ON
AGRICULTURE**

1998 SHORT SESSION

**REPRESENTATIVE JOHN W. BROWN,
CHAIRMAN**

ANNA P. KIDD, CLERK

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



Stephen Wood

SPEAKER PRO TEMPORE



Julia Craven Howard

MAJORITY WHIP



N. Leo Daughtry

MAJORITY LEADER

ROLL CALL VOTE

_____ = _____ (TOTAL)
 YES NO

HB# _____
 SB# _____

HOUSE STANDING COMMITTEE ON _____

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	Ex officio Members		
_____	_____	Smith	_____	_____	Speaker Pro Tem
_____	_____	Tolson	_____	_____	Majority Leader
_____	_____	Watson	_____	_____	Majority Whip

ATTENDANCE

HOUSE AGRICULTURE COMMITTEE

1998 SESSION

(Name of Committee)

DATES	6/2	6/16	6/23
Brown, John-Chairman	✓	✓	✓
Carpenter-Vice Chair	✓	✓	✓
Culp-Vice Chair	✓	✓	✓
Mitchell-Vice Chair	✓	✓	✓
Hill-Ranking M. Member	✓	✓	✓
Aldridge	✓	✓	
Baker	✓	✓	✓
Buchanan	✓	✓	✓
Davis	✓	✓	✓
Eddins	✓	✓	
Kiser	✓		
Nichols		✓	✓
Reynolds	✓	EX	✓
Watson	✓		✓
Weatherly	✓		
Fox	EX	✓	EX
McCrary	✓	✓	✓
Mercer	✓	✓	✓
Owens	✓	✓	✓
Rogers	✓	✓	✓
Smith	✓	✓	✓
Tolson	✓	✓	✓
Hardaway			✓
Yongue	✓	✓	✓
Hightower		✓	✓
Hunter, H.		✓	
Riley, Barbara	✓	✓	✓
KIDD, ANNA	✓	✓	✓

NORTH CAROLINA GENERAL ASSEMBLY
COMMITTEE SUMMARY REPORT

1997-98 Regular Session		HOUSE: AGRICULTURE		Valid Through 18-AUG-1998	
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 APPROPR	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 APPROPR	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 -ASSIGNED TO APP-NTEC	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 -ASSIGNED TO APP-NTEC	05-01-97	05-13-97
H1248=	BAKER	EXEMPT TOBACCO ASSISTANCE PAYMENTS	*S -REF TO COM ON FINANCE	05-12-98	06-04-98
H1442=	MITCHELL	EXEMPT TRANSPORT AGRIC. PRODUCTS	H -RE-REF COM ON JUDICI	05-25-98	06-23-98
H1467=	MITCHELL	SOUTHERN DAIRY COMPACT FUNDS	H -RE-REF COM ON APPROP	05-25-98	06-23-98
H1529=	BROWN	HORSE PROMOTION ASSESSMENT	*H -PLACED ON CAL FOR 08-18	05-27-98	06-04-98
H1543=	MITCHELL	POULTRY/RATITE DEALERS REGISTRATION	H -RE-REF COM ON APPROP	05-27-98	06-16-98
H1553=	BROWN	EASTERN AGRICULTURE CENTER FUNDS	H -RE-REF COM ON APPROP	05-28-98	06-16-98
H1560	MITCHELL	SMALL FAMILY FARMS FUNDS	H -RE-REF COM ON APPROP	05-28-98	06-23-98

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.

NORTH CAROLINA GENERAL ASSEMBLY
COMMITTEE SUMMARY REPORT

1997-98 Regular Session		Valid Through 18-AUG-1998	
BILL	INTRODUCER	HOUSE: AGRICULTURE	HOUSE: AGRICULTURE
	SHORT TITLE	LATEST ACTION ON BILL	IN DATE OUT DATE
H1617	MITCHELL	*S -REF TO COM ON FINANCE	05-28-98 06-30-98
H1649=	CARPENTER J	H -RE-REF COM ON APPROP	05-28-98 06-23-98
S 172	ALBERTSON	*R -CH. SL 97-0365	03-27-97 04-16-97
S 266	LEDBETTER	*R -CH. SL 97-0142	04-16-97 05-07-97
S 508	PLYLER	*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.
 BOLDED LINE INDICATES BILL INDEXED AS AFFECTING APPROPRIATIONS.

MEMORANDUM

TO: Representative Carolyn Russell

FROM: Chairman John W. Brown

DATE: August 12, 1998

SUBJECT: H.B. 1015=CROP ALLOTMENT TAX APPRAISAL

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign** and **date** the form and **return** it to the Committee Clerk, Anna Kidd for the Committee on AGRICULTURE in Room 1111 by August 19, 1998.

oooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1015, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

Carolyn Russell (Sign)
Representative

Aug 12, 1998 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

AGENDA

HOUSE AGRICULTURE COMMITTEE

June 2, 1998

- I. CALL MEETING TO ORDER**
- II. REMARKS BY CHAIRMAN BROWN**
- III. INTRODUCTION OF PAGES**
- IV. H.B. 1248=EXEMPT TOBACCO ASSISTANCE PAYMENTS. SPONSOR REP. REX BAKER**
- V. H.B. 1529=HORSE PROMOTION ASSESSMENT. SPONSOR REP. JOHN BROWN**
- VI. ANNOUNCEMENTS**
- VII. ADJOURNMENT**

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: Representative Rex Baker

OFFICE: Room 632

DATE: Thursday, May 28, 1998

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: Tuesday, June 2, 1998

TIME: 10:00 A.M.

LOCATION: Room 1425

Your Bill (or Bills) will be discussed at this time:

H.B. 1248=EXEMPT TOBACCO ASSISTANCE PAYMENT

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, June 2, 1998**

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

LOCATION: **Room 1425**

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

H.B. 1248=EXEMPT TOBACCO ASSISTANCE PAYMENT

**H.B. 1529=AN ACT TO PROVIDE FOR A HORSE PROMOTION
ASSESSMENT**

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, May 28, 1998.

____Principal Clerk
____Reading Clerk - House Chamber

Anna Kidd (Committee Clerk)

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

June 2, 1998

The House Committee on Agriculture met in Room 1425 of the Legislative Building on Tuesday, June 2, 1998 at 10:00 a.m. Chairman Brown presided over the meeting with twenty one House Members present, four House Members absent and one excused absence.

Mr. Brown introduced the Pages serving the Committee and welcomed guests.

Representative Brown turned the meeting over to Representative Rex Baker to speak on House Bill #1248. Rep. Baker explained the bill entitled: **AN ACT TO EXEMPT FROM INCOME TAX FEDERAL PAYMENTS TO TOBACCO ALLOTMENT HOLDERS, TOBACCO WORKERS, AND TOBACCO FARMERS AS COMPENSATION FOR LOSSES DUE TO THE FEDERAL TOBACCO SETTLEMENT** to the Members..

Representative Jim Carpenter moved to adopt the amendment. The motion was carried. Representative Baker explained that the amendment moves to amend the bill on page 1, line 9, by deleting the term "(16)" and substituting the term "(17)". Next Representative Baker stated that this Bill would exempt from state taxation, payments made by the federal government to taxpayers under the federal Long-Term Economic Assistance for Farmers Act as reimbursements for loss of tobacco quotas.

Section 1 of the bill amends G.S. 105-130.5(b) to provide the exemption under the corporate income tax.

Section 2 of the bill amends G.S. 105-134.6(b) to provide the exemption to individual income taxpayers.

Representative Baker stated that the act is effective for taxable years beginning on or after January 1, 1998. Several questions were taken from the floor.

At this time, Representative Rick Eddins moved that the bill be given a favorable report

as to the committee substitute, be given an unfavorable to the original bill and recommended that the committee substitute bill be re-referred to the Committee on Finance. Motion carried.

Next, Chairman Brown introduced Representative Arlie Culp who spoke on House Bill #1529, entitled: **AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT**. Representative Tolson moved to accept the amendment. Motion was carried. Legal Staff explained that the amendment moves to amend the bill on page 1, lines 21 and 22, by inserting between those lines: (4) 'Equine' means a horse, pony, mule, donkey, or hinny. 'Horse owner' means a person who (i) is a North Carolina resident and (ii) owns or leases an equine or has a financial interest in equines or an equine operation." Several questions followed.

At this time, Representative Culp explained to the members that this bill was sponsored by Representative Brown and it provides for a referendum to allow horse owners to assess themselves, through a levy on commercial horse feed, in order to provide funds to the North Carolina Horse Council to promote the interest of the horse industry.

The North Carolina Horse Council is authorized to conduct a referendum among horse owners to determine if the assessment should be levied. To take effect, the assessment must be approved by a majority of votes cast in the referendum. The amount of the assessment may not exceed \$2 per ton of commercial horse feed and shall not extend for a period of more than 3 years. The Council is to determine the exact amount and period of the levy.

He went on to explain that if approved, the North Carolina Department of Agriculture and Consumer Services shall notify all commercial feed dealers and distributors of the assessment and shall provide forms for reporting the assessment. The assessment is to be remitted to the Department with the inspection fee imposed under the Commercial Feed Law, Article 31C of Chapter 106 of the General Statutes. Anyone who purchases commercial horse feed may demand a refund of the assessment by writing the Horse Council within 30 days of buying the feed and providing proof of purchase.

The department is to remit funds to the North Carolina Horse Council at least quarterly. These funds may be used by the Horse Council to promote the interest of the horse industry, including administrative expenses to carry these functions.

Representative Culp stated that this act shall be effective when it becomes law.

Considerable discussion followed. Representative Owens asked the sponsor if he knew of any opposition to this bill? Representative Brown answered in the negative. Additional questions were taken from the floor.

Representative Owens 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.

The meeting adjourned at 10:50 a.m.


JOHN W. BROWN, CHAIRMAN


Anna P. Kidd, Clerk

**1998 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. 1248 A BILL TO BE ENTITLED AN ACT TO EXEMPT FROM INCOME TAX
FEDERAL PAYMENTS TO TOBACCO ALLOTMENT HOLDERS, TOBACCO
WORKERS, AND TOBACCO FARMERS AS COMPENSATION FOR LOSSES DUE TO
THE FEDERAL TOBACCO SETTLEMENT.

☐ 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 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

**1998 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. 1529 A BILL TO BE ENTITLED AN ACT TO PROVIDE FOR A HORSE
PROMOTION ASSESSMENT.

☐ 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 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 1248*

Short Title: Exempt Tobacco Assistance Payments.

(Public)

Sponsors: Representatives Baker; Aldridge, Arnold, Buchanan, Capps, Crawford, Culp, Davis, Decker, Esposito, Grady, Gray, Hill, Hurley, Mercer, Mitchell, Nichols, Nye, Oldham, Russell, Smith, Tolson, Warwick, G. Wilson, Wood, and Yongue.

Referred to: Agriculture, if favorable, Finance.

May 12, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT FROM INCOME TAX FEDERAL PAYMENTS TO
3 TOBACCO ALLOTMENT HOLDERS, TOBACCO WORKERS, AND
4 TOBACCO FARMERS AS COMPENSATION FOR LOSSES DUE TO THE
5 FEDERAL TOBACCO SETTLEMENT.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 105-130.5(b) is amended by adding a new subdivision to
8 read:

9 "(16) The amount paid to the taxpayer by the federal government
10 during the taxable year under the federal Long-Term Economic
11 Assistance for Farmers (LEAF) Act as reimbursement for loss of
12 tobacco quotas."

13 Section 2. G.S. 105-134.6(b) is amended by adding a new subdivision to
14 read:

15 "(15) The amount paid to the taxpayer by the federal government
16 during the taxable year under the federal Long-Term Economic
17 Assistance for Farmers (LEAF) Act as any of the following:
18 a. Reimbursement for loss of tobacco quotas.
19 b. Transition assistance for tobacco workers.
20 c. Higher education assistance grants for members of tobacco
21 farm families."

1 Section 3. This act is effective for taxable years beginning on or after
2 January 1, 1998.



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 1248

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

H1248-ARF-010

Date _____, 1998

Comm. Sub. [☐
Amends Title [☐

1 moves to amend the bill on page 1, line 9,
2 by deleting the term "(16)" and substituting the term "(17)".
3

SIGNED *Joe Cooper*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

FROM PAGE ONE

Competing Tobacco Plans

	Ford Plan	Lugar Plan
Tobacco Quotas	Continues quota program for burley tobacco. Ends quota program for flue-cured tobacco and replaces it with permits issued to farmers.	Ends quota programs in 1999.
Tobacco Price Supports	Continues price supports	Reduces price supports 25 percent in 1999, 10 percent in 2000 and 10 percent in 2001. Ends price supports in 2002.
Buyout for Quota Owners	Buys out quota owners at \$8 a pound based on their average quota in 1995-97. Pays out in equal installments over 10 years, 1999-2008. Pays a lump sum, if quotas drop below 50 percent of 1998 level for three years or Congress eliminates price supports. Optional for burley quota owners, but required for flue-cured quota owners. Bars burley quota owners who choose a buyout and flue-cured quota owners who don't grow their own quota from growing tobacco for 25 years.	Buys out quota owners at \$8 a pound based on their average quota in 1995-97. Pays out in equal installments over three years, 1999-2001.
Buyout for Quota Renters	Buys out flue-cured farmers who lease quota and opt for a buyout at \$4 a pound based on their average quota in 1995-97. Pays out in equal installments over 10 years, 1999-2008.	Buys out farmers who lease quota at \$4 a pound based on their average quota in 1995-97. Pays out in equal installments over three years, 1999-2001.
Loss-of-Quota Payments	Pays burley quota owners \$4 a pound for every pound their quota drops each year below their average quota in 1995-97, for a lifetime limit of \$8 a pound. Pays burley and flue-cured quota renters \$2 a pound for every pound their quota drops each year below their average quota in 1995-97, for a lifetime limit of \$4 a pound.	
Farmer Compensation	\$16 billion	\$17 billion
Economic Assistance	\$10.5 billion	\$1 billion
Education and Retraining	\$2 billion	—
Total Cost	\$28.5 billion	\$18 billion

Source: Congressional Documents

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 1248*
Proposed Committee Substitute H1248-PCS3136

Short Title: Exempt Tobacco Assistance Payments.

(Public)

Sponsors:

Referred to:

May 12, 1998

1 A BILL TO BE ENTITLED

2 AN ACT TO EXEMPT FROM INCOME TAX FEDERAL PAYMENTS TO
3 TOBACCO ALLOTMENT HOLDERS, TOBACCO WORKERS, AND
4 TOBACCO FARMERS AS COMPENSATION FOR LOSSES DUE TO THE
5 FEDERAL TOBACCO SETTLEMENT.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 105-130.5(b) is amended by adding a new subdivision to
8 read:

9 "(17) The amount paid to the taxpayer by the federal government
10 during the taxable year under the federal Long-Term Economic
11 Assistance for Farmers (LEAF) Act as reimbursement for loss of
12 tobacco quotas."

13 Section 2. G.S. 105-134.6(b) is amended by adding a new subdivision to
14 read:

15 "(15) The amount paid to the taxpayer by the federal government
16 during the taxable year under the federal Long-Term Economic
17 Assistance for Farmers (LEAF) Act as any of the following:
18 a. Reimbursement for loss of tobacco quotas.
19 b. Transition assistance for tobacco workers.
20 c. Higher education assistance grants for members of tobacco
21 farm families."

22 Section 3. This act is effective for taxable years beginning on or after
23 January 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1529

Short Title: Horse Promotion Assessment.

(Public)

Sponsors: Representatives Brown and Culp.

Referred to: Agriculture, if favorable, Finance.

May 27, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT.

3 The General Assembly of North Carolina enacts:

4 Section 1. Chapter 106 of the General Statutes is amended by adding a
5 new Article to read:

6 "ARTICLE 69.
7 "Horse Industry Promotion Act.

8 "§ 106-820. Title.

9 This Article may be cited as the Horse Industry Promotion Act.

10 "§ 106-821. Findings.

11 The General Assembly finds that the horse industry makes an important
12 contribution to the State's economy, and that it is appropriate for the State to provide
13 a means for horse owners to voluntarily assess themselves in order to provide funds
14 to promote the interests of the horse industry.

15 "§ 106-822. Definitions.

16 As used in this Article:

17 (1) 'Commercial horse feed' means any commercial feed, as
18 defined in G.S. 106-284.33, labeled for equine use.

19 (2) 'Council' means the North Carolina Horse Council.

20 (3) 'Department' means the Department of Agriculture and
21 Consumer Services.

22 "§ 106-823. Referendum.

23 (a) The Council may conduct a referendum among horse owners upon the
24 question of whether an assessment shall be levied consistent with this Article.

(b) The Council shall determine all of the following:

- (1) The amount of the proposed assessment, not to exceed two dollars (\$2.00) per ton of commercial horse feed.
- (2) The period for which the assessment shall be levied, not to exceed three years.
- (3) The time and place of the referendum.
- (4) Procedures for conducting the referendum and counting votes.
- (5) Any other matters pertaining to the referendum.

(c) The amount of the proposed assessment and the method of collection shall be set forth on the ballot.

(d) All horse owners are eligible to vote in the referendum. Any questions concerning eligibility to vote shall be resolved by the board of directors of the Council.

"§ 106-824. Majority vote required; collection of assessment.

(a) The assessment shall not be collected unless a majority of the votes cast in the referendum is in favor of the assessment. If a majority of the votes cast in the referendum is in favor of the assessment, the Department shall notify all commercial horse feed manufacturers and distributors of the assessment. The assessment shall apply to all commercial horse feed subject to the provisions of G.S. 106-284.40(b), and the assessment shall be remitted to the Department with the inspection fee imposed by G.S. 106-284.40. The Department shall provide forms for reporting the assessment. Persons who purchase commercial horse feed on which the assessment has not been paid shall report these purchases and pay the assessment to the Department.

(b) The Council may bring an action to collect unpaid assessments against any horse owner, feed manufacturer, or distributor who fails to pay the assessment and, if successful, shall recover the cost of such action, including attorneys' fees.

"§ 106-825. Use of funds; refunds.

(a) The Department shall remit all funds collected under this Article to the Council at least quarterly. The Council shall use these funds to promote the interests of the horse industry and may use these funds for those administrative expenses that are reasonably necessary to carry out this function.

(b) Any person who purchases commercial horse feed upon which the assessment has been paid shall have the right to receive a refund of the assessment by making demand in writing to the Council within 30 days of purchase of the feed. This demand shall be accompanied by proof of purchase satisfactory to the Council."

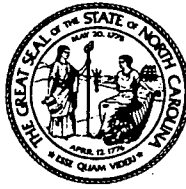
Section 2. G.S. 106-550 reads as rewritten:

"§ 106-550. Policy as to promotion of use of, and markets for, farm products.

It is declared to be in the interest of the public welfare that the North Carolina farmers who are producers of livestock, poultry, field crops and other agricultural products, including cattle, sheep, broilers, turkeys, commercial eggs, peanuts, cotton, potatoes, sweet potatoes, peaches, apples, berries, vegetables and other fruits of all kinds, as well as bulbs and flowers and other agricultural products having a domestic

1 or foreign market, shall be permitted and encouraged to act jointly and in
2 cooperation with growers, handlers, dealers and processors of such products in
3 promoting and stimulating, by advertising and other methods, the increased
4 production, use and sale, domestic and foreign, of any and all of such agricultural
5 commodities. The provisions of this Article, however, shall not include the
6 agricultural products of tobacco, strawberries, strawberry plants, ~~or~~ porcine animals,
7 or horses, with respect to which separate provisions have been made."

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



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 1529

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

H1529-ARF-011

Date _____, 1998

Comm. Sub. []
Amends Title []

1 moves to amend the bill on page 1, lines 21 and 22,
2 by inserting between those lines:

3

4

5

6

7

8

"(4) 'Equine' means a horse, pony, mule, donkey, or hinny.
(5) 'Horse owner' means a person who (i) is a North
Carolina resident and (ii) owns or leases an equine or
has a financial interest in equines or an equine
operation."

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 1529
Proposed Committee Substitute H1529-PCS6443

Short Title: Horse Promotion Assessment.

(Public)

Sponsors:

Referred to:

May 27, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR A HORSE PROMOTION ASSESSMENT.

3 The General Assembly of North Carolina enacts:

4 Section 1. Chapter 106 of the General Statutes is amended by adding a
5 new Article to read:

6 "ARTICLE 69.
7 "Horse Industry Promotion Act.

8 "§ 106-820. Title.

9 This Article may be cited as the Horse Industry Promotion Act.

10 "§ 106-821. Findings.

11 The General Assembly finds that the horse industry makes an important
12 contribution to the State's economy, and that it is appropriate for the State to provide
13 a means for horse owners to voluntarily assess themselves in order to provide funds
14 to promote the interests of the horse industry.

15 "§ 106-822. Definitions.

16 As used in this Article:

- 17 (1) 'Commercial horse feed' means any commercial feed, as defined in
18 G.S. 106-284.33, labeled for equine use.
19 (2) 'Council' means the North Carolina Horse Council.
20 (3) 'Department' means the Department of Agriculture and Consumer
21 Services.
22 (4) 'Equine' means a horse, pony, mule, donkey, or hinny.

- (5) 'Horse owner' means a person who (i) is a North Carolina resident and (ii) owns or leases an equine or has a financial interest in equines or an equine operation.

"§ 106-823. Referendum.

(a) The Council may conduct a referendum among horse owners upon the question of whether an assessment shall be levied consistent with this Article.

(b) The Council shall determine all of the following:

- (1) The amount of the proposed assessment, not to exceed two dollars (\$2.00) per ton of commercial horse feed.
- (2) The period for which the assessment shall be levied, not to exceed three years.
- (3) The time and place of the referendum.
- (4) Procedures for conducting the referendum and counting votes.
- (5) Any other matters pertaining to the referendum.

(c) The amount of the proposed assessment and the method of collection shall be set forth on the ballot.

(d) All horse owners are eligible to vote in the referendum. Any questions concerning eligibility to vote shall be resolved by the board of directors of the Council.

"§ 106-824. Majority vote required; collection of assessment.

(a) The assessment shall not be collected unless a majority of the votes cast in the referendum is in favor of the assessment. If a majority of the votes cast in the referendum is in favor of the assessment, the Department shall notify all commercial horse feed manufacturers and distributors of the assessment. The assessment shall apply to all commercial horse feed subject to the provisions of G.S. 106-284.40(b), and the assessment shall be remitted to the Department with the inspection fee imposed by G.S. 106-284.40. The Department shall provide forms for reporting the assessment. Persons who purchase commercial horse feed on which the assessment has not been paid shall report these purchases and pay the assessment to the Department.

(b) The Council may bring an action to collect unpaid assessments against any horse owner, feed manufacturer, or distributor who fails to pay the assessment and, if successful, shall recover the cost of such action, including attorneys' fees.

"§ 106-825. Use of funds; refunds.

(a) The Department shall remit all funds collected under this Article to the Council at least quarterly. The Council shall use these funds to promote the interests of the horse industry and may use these funds for those administrative expenses that are reasonably necessary to carry out this function.

(b) Any person who purchases commercial horse feed upon which the assessment has been paid shall have the right to receive a refund of the assessment by making demand in writing to the Council within 30 days of purchase of the feed. This demand shall be accompanied by proof of purchase satisfactory to the Council."

Section 2. G.S. 106-550 reads as rewritten:

"§ 106-550. Policy as to promotion of use of, and markets for, farm products.

1 It is declared to be in the interest of the public welfare that the North Carolina
2 farmers who are producers of livestock, poultry, field crops and other agricultural
3 products, including cattle, sheep, broilers, turkeys, commercial eggs, peanuts, cotton,
4 potatoes, sweet potatoes, peaches, apples, berries, vegetables and other fruits of all
5 kinds, as well as bulbs and flowers and other agricultural products having a domestic
6 or foreign market, shall be permitted and encouraged to act jointly and in
7 cooperation with growers, handlers, dealers and processors of such products in
8 promoting and stimulating, by advertising and other methods, the increased
9 production, use and sale, domestic and foreign, of any and all of such agricultural
10 commodities. The provisions of this Article, however, shall not include the
11 agricultural products of tobacco, strawberries, strawberry plants, ~~or~~ porcine animals,
12 or horses, with respect to which separate provisions have been made."

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

AGRICULTURE & FORESTRY AWARENESS STUDY
COMMISSION JUNE 2, 1997

Name of Committee

Date _____

NAME

Mary Ann
 Rudolph E. Chas

Wm. S. Child

David M. Ford

Dick Mansmann

B. E. Barker

Star Mobley

John H. Cyrus

Gay Hendricks

Lisa Greene

Deborah Bryan

Flammkuchen

C. Parker

Payne & Spence

Tri-Lagency Council

NCD A & C S

NC Horse Council

MC Horse Council

N.C. Horse Council

N.C. State Change

NC Park Council

AGS

Angerling JSSW.

Bone Assoc

Bone & Assoc

AGENDA

HOUSE AGRICULTURE COMMITTEE JUNE 16, 1998

- I. CALL MEETING TO ORDER**
- II. REMARKS BY CHAIRMAN BROWN**
- III. INTRODUCTION OF PAGES**
- IV. H.B. #1543 POULTRY/RATITE DEALERS
REGISTRATION**
- V. DR. LARRY TOMBAUGH, DEAN
COLLEGE OF FOREST RESOURCES
NORTH CAROLINA STATE UNIVERSITY**
- VI. ANNOUNCEMENTS**
- VII. ADJOURNMENT**

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1543

Short Title: Poultry/Ratite Dealers Registration.

(Public)

Sponsors: Representatives Mitchell; and Brown.

Referred to: Agriculture, if favorable, Appropriations.

May 27, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE THE REGISTRATION OF DEALERS IN POULTRY
3 AND RATITES, TO PROHIBIT SPECIALTY MARKET OPERATORS FROM
4 PERMITTING UNREGISTERED POULTRY OR RATITE DEALERS FROM
5 OPERATING AT SPECIALTY MARKETS, AND TO APPROPRIATE FUNDS
6 FOR THE ENFORCEMENT OF THESE REGISTRATION REQUIREMENTS.
7 The General Assembly of North Carolina enacts:
8 Section 1. G.S. 106-540(3) reads as rewritten:
9 "(3) Regulate hatching egg dealers, chick dealers, poult dealers, poultry
10 dealers, ratite dealers, and jobbers."
11 Section 2. G.S. 106-541 reads as rewritten:
12 "**§ 106-541. Definitions.**
13 For the purpose of this ~~Article, a hatchery shall be defined as~~ Article, the
14 following definitions apply:
15 (1) 'Hatchery' means any establishment that operates hatchery
16 equipment for the production of baby chicks or poults.
17 (2) ~~A hatching~~ 'Hatching egg dealer, chick dealer or jobber shall mean
18 dealer, or jobber' means any person, ~~firm~~ firm, or corporation that
19 buys hatching eggs, baby ~~chicks~~ chicks, or turkey poults and sells
20 or offers them for sale.
21 (3) 'Live poultry or ratite dealer' means a person who sells or offers
22 for sale to the general public live poultry or ratites. Live poultry
23 or ratite dealer does not include persons who sell on their own

premises live poultry or ratites that were raised on the same premises.

(4) ~~The term "mixed~~ 'Mixed chicks' or 'assorted chicks' ~~shall mean~~ means chicks produced from eggs from purebred females of a distinct breed mated to a purebred male of a distinct breed.

(5) 'Poultry' means live chickens, doves, ducks, geese, grouse, guinea fowl, partridges, pea fowl, pheasants, pigeons, quail, swans, or turkeys other than chicks or poults.

(6) 'Ratite' has the same meaning as in G.S. 106-549.15."

Section 3. G.S. 106-542 is amended by adding the following new subsections:

"(b1) It shall be unlawful for any person, firm, or corporation to operate as a live poultry or ratite dealer without first registering with the Department of Agriculture and Consumer Services.

(b2) It shall be unlawful for a specialty market operator, as defined in G.S. 66-250, to knowingly and willfully permit an unregistered poultry or ratite dealer to operate on the premises of the specialty market, as defined in G.S. 66-250, more than 10 days after being notified in writing by the Department of Agriculture and Consumer Services that the dealer is not registered."

Section 4. G.S. 106-547 reads as rewritten:

"§ 106-547. Records to be kept.

Every hatchery, hatching egg dealer, chick ~~dealer~~ dealer, poultry dealer, ratite dealer, or jobber shall keep such records of operation as the regulations of the Department of Agriculture and Consumer Services may require for the proper inspection of said hatchery, ~~dealer~~ dealer, or jobber."

Section 5. There is appropriated from the General Fund to the Department of Agriculture and Consumer Services the sum of ten thousand dollars (\$10,000) for the 1998-99 fiscal year for the enforcement of registration requirements for poultry and ratite dealers.

Section 6. Section 5 of this act becomes effective July 1, 1998. Sections 3 and 4 of this act become effective October 1, 1999. The remaining sections of this act are effective when they become law.

**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 16, 1998**

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

LOCATION: **Room 1425**

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

**Dr. Larry Tombaugh, Dean
College of Forest Resources
North Carolina State University**

HB 1543 - Poultry/Ratite Dealers Registration - Rep. Mitchell

Respectfully,

Representative John W. Brown
Chairman

I hereby certify this notice was filed by the committee clerk at the following offices at
12:30 p.m. on June 11, 1998.

____Principal Clerk
____Reading Clerk - House Chamber

Anna Kidd (Committee Clerk)

MINUTES
HOUSE COMMITTEE ON AGRICULTURE

June 16, 1998

The House Committee on Agriculture met in Room 1425 of the Legislative Building on Tuesday, June 16, 1998 at 10:00 a.m. Chairman Brown presided over the meeting with twenty one House Members present, four House Members absent and one excused absence.

Chairman Brown introduced the Pages serving the Committee and welcomed guests.

Representative Brown turned the meeting over to Representative Frank Mitchell to speak on House Bill #1543 entitled: **AN ACT TO REQUIRE THE REGISTRATION OF DEALERS IN POULTRY AND RATITES, TO PROHIBIT SPECIALTY MARKET OPERATORS FROM PERMITTING UNREGISTERED POULTRY OR RATITE DEALERS FROM OPERATING AT SPECIALTY MARKETS, AND TO APPROPRIATE FUNDS FOR THE ENFORCEMENT OF THESE REGISTRATION REQUIREMENTS.** Mr. Mitchell state that House Bill #1543, introduced by Representative Brown, would require all dealers of live poultry and ratites, other than those who sell birds on their own premises that were raised on their own premises, to register with the North Carolina Department of Agriculture and Consumer Services. The current poultry laws only require hatching egg dealers and chick dealers to obtain a license from the Department.

Mr. Mitchell reported that in addition to the registration requirement, the bill provides that specialty market operators may not knowingly allow an unregistered poultry or ratite dealer to operate on the premises more than 10 days after the operator has received notice from the Department of the dealer's unregistered status. A specialty market operator is one who leases space to another at a location other than a permanent retail store, for the purpose of selling goods at retail (ie. A flea market operator). G.S. 66-250. Live poultry and ratite dealers are further required to keep records as required by the Department.

Further, Representative Mitchell stated that persons who fail to comply with the act are guilty of a Class 2 misdemeanor and are subject to civil penalties of up to \$5,000. G.S. 106-540 and G.S. 106-549.01.

The sum of \$10,000 is appropriated from the General Fund to the Department for the enforcement of the registration requirements.

The definitional portions of the act, Sections 1 and 2, are effective when the bill becomes law. The appropriation becomes effective July 1, 1998. The registration and records requirements become effective October 1, 1998.

Considerable discussion followed and several questions were accepted at this time.

Representative Gene Rogers moved to give the bill a favorable report and recommendation that the bill be re-referred to the Committee on Appropriations. Motion carried.

Next, Chairman Brown introduced Dr. Larry Tombaugh, Dean of College of Forest Resources at North Carolina State University. Dean Tombaugh gave an overview and showed a slide presentation of the College of Forest Resources to the Committee Members. He stated that North Carolina is a forested state and that 62% of the land area is forested. Our forested area is about the size of New Hampshire, Vermont, Connecticut, and Massachusetts combined. He further stated that North Carolina Forests provide environment values, tourism and recreation, products, jobs and economic opportunities. Dean Tombaugh stated that North Carolina Forests provide opportunities for hundreds of thousands of North Carolinians to make a good living and an environment that makes that good living truly worth living. (Attachment I)

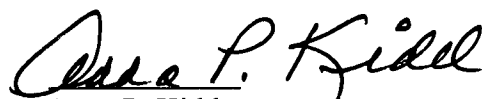
Dean Tombaugh announced to the members that the critical needs in 1998 for the Agricultural Programs at the North Carolina College of Forest Resources Expansion Budget requests are as following:

- | | |
|--|----------------|
| • Forest Biotechnology | \$200,000/year |
| • Southern Center for Sustainable Forestry | \$300,000/year |
| • Rural Tourism Initiative | \$240,000/year |

Consideration discussion followed and several questions were taken from the members.

The meeting adjourned at 10:55 a.m.


JOHN W. BROWN, CHAIRMAN


Anna P. Kidd

**1998 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. 1543 A BILL TO BE ENTITLED AN ACT TO REQUIRE THE REGISTRATION OF DEALERS IN POULTRY AND RATITES, TO PROHIBIT SPECIALTY MARKET OPERATORS FROM PERMITTING UNREGISTERED POULTRY OR RATITE DEALERS FROM OPERATING AT SPECIALTY MARKETS, AND TO APPROPRIATE FUNDS FOR THE ENFORCEMENT OF THESE REGISTRATION REQUIREMENTS.

☐ 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

NC STATE UNIVERSITYCollege of Forest Resources
Campus Box 8002
Raleigh, NC 27695-8002919.515.2891
919.515.8149 (fax)**FOREST BIOTECHNOLOGY****EXPANSION BUDGET PROPOSAL TO THE
NORTH CAROLINA GENERAL ASSEMBLY****UNC-System/NC State University
Agricultural Programs Expansion Budget
Agricultural Production and Life Science Industries****The Issue**

Increasing world population and rising affluence in many developing countries have greatly increased demands for food and fiber. Forestry firms throughout the world have responded to these demands with increased investments in forest production and manufacturing capacity. In particular, countries in the southern hemisphere now have extensive programs of tree planting of exotic pines and hardwoods. Large differences in growth rates--2 to 10 times greater in the southern hemisphere than in the U.S. South--have caused the competitive position of the South to erode rapidly in the last decade.

We must substantially increase our commitment to and investment in the basic means of timber production--genetics, biotechnology, and intensive management--if we are to remain competitive. A focused response in forest biotechnology is a key to unlocking the potentials in the South of increased forest growth rates, timber quality, and forest health. North Carolina State University is beginning its second decade of its basic research in forest biotechnology. This program has already developed the first genetic maps of loblolly pine; identified selected properties that control wood structure; and identified genes that provide resistance to fusiform rust. We now need to capitalize on these path-breaking efforts and ensure that they can be continued and applied to increase forest productivity. To date, much of our research at NCSU has been funded with external grants. More state funding is needed to ensure continued research excellence and leadership by the forest biotechnology group in the face of large investments in other states and in other countries.

Enhanced forest biotechnology research, development, and application will increase wood fiber production in North Carolina and the South. This can help us retain our competitive position as the leading producer of pulp and paper and of solid wood products in the world; produce more wood fiber; improve international competitiveness; and reduce disturbance of natural forests. Local benefits include more employment and income derived from the practice of intensive forestry, and more manufacturing capacity in local communities.

Budget

Funds for the Forest Biotechnology Group are needed for faculty or technical positions and operating funds. This request will amount to \$200,000 per year.

SOUTHERN CENTER FOR SUSTAINABLE FORESTS

EXPANSION BUDGET PROPOSAL TO THE NORTH CAROLINA GENERAL ASSEMBLY

UNC-System/NC State University Agricultural Programs Expansion Budget - Natural Resources and the Environment

The Center

North Carolina has more than 19 million acres of forests, or almost 62% of its total land area. Rapid development is projected throughout the South, and particularly noticeable in North Carolina. For the next decade, we are projected to have among the highest rates of increase in the U.S. in population, gross domestic product, urban development, road construction, and timber harvesting. A host of issues from water quality to wood chip production to mountain development threaten the productivity, sustainability, and health of North Carolina forests.

Sustainable forestry implies that we must consider both market and environmental impacts of forest practices and their long run consequences. Relevant research questions must examine many issues such as selection of forest practices, effects of timber harvests, plans for regeneration, protection of water quality, improvement of wildlife habitat, markets for nonindustrial private landowners, ecological restoration, and the urban/rural interface.

We have agreed to establish a Southern Center for Sustainable Forests as a cooperative effort between NC State University, the North Carolina DENR/Division of Forest Resources, and Duke University. The Center will provide leadership to promote economically and ecologically sustainable management of forests in the South. The Center will:

- Foster research and applications on the productivity, sustainability, and stewardship of forest practices on private forests and evaluate the effects of intensive forestry at the stand and landscape scale.
- Improve state, regional, and interdisciplinary cooperation in technology transfer of existing and new research efforts to forestry professionals and to private landowners.
- Ensure development and use of appropriate guidelines for sustainable forestry that incorporate economic and ecological principles.

Budget

Funds for the Southern Center for Sustainable Forests are needed for a Director, a Technical Specialist, and an operating budget. This request will amount to \$300,000 per year.

RURAL TOURISM DEVELOPMENT

EXPANSION BUDGET PROPOSAL TO THE NORTH CAROLINA GENERAL ASSEMBLY

UNC-System/NC State University Agricultural Programs Expansion Budget – Community and Rural Development

North Carolina's travel and tourism industry employs over 170 thousand workers and contributes over \$10 billion annually to the State's economy, including \$700 million in state and local taxes. North Carolina's 15 urban counties account for 61% of the economic impact from tourism while its 85 rural counties contribute only 39%.* The impact of rural communities is limited due to the lack of professional staff in tourism planning and development. Rural communities also lack data for tourism planning and have inadequate opportunities for training in tourism and hospitality management for their workforce.

Rural communities have natural and cultural resources that can serve as attractions for tourism development, but generally lack expertise in the utilization of those resources to maximize the economic benefits from tourism. That expertise would be provided to North Carolina's rural communities by the NC Center for Rural Tourism Development.

Services to be provided by the Center include:

- Identify potential tourism attractions, activities, facilities, services and financial investments needed to maximize economic benefits to communities.
- Identify "barriers" that limit tourism development in rural communities.
- Identify tourist development alternatives with projected economic and social impacts.
- Identify strategies to develop and sustain tourism development with emphasis on the responsible use and management of natural and cultural resources.
- Determine the economic impact from tourism to rural communities.
- Provide information and training to local leaders and professionals in successful rural tourism development through the NC Cooperative Extension Service.

Proposed Budget:

NC State University contribution	\$65,000
New State Appropriation	\$240,000



Dean Larry W. Tombaugh

Education:

Ph.D., Resource Economics, University of Michigan, 1968
M.S., Forestry, Colorado State University, 1963
B.S., Forestry, Pennsylvania State University, 1960

Career Highlights:

Dean, College of Forest Resources, NCSU, 1989-present.
Chairman and Professor, Department of Forestry, Michigan State University, East Lansing, MI, 1978-1989.
Deputy Assistant Director for Planning and Analysis, National Science Foundation, Washington, D.C., 1976-1978.
Director, Division of Advanced Environmental Research and Technology, National Science Foundation, Washington, D.C., 1975-1976; Program Manager, 1971-1975.
Principal Economist, Southeastern Forest Experiment Station, U.S. Forest Service, 1969-1971.

Awards and Activities:

President, National Association of Professional Forestry Schools and Colleges, 1990-1991.
Elected Member, Forest Science and Technology Board, Society of American Foresters, 1987-1990.
Elected Member, International Council, International Union of Forestry Research Organizations, 1986.
Appointee, State Forest Industry Development Council, appointed by Governor, confirmed by Michigan Senate, 1984-1986.
National Science Foundation Meritorious Service Award (Silver Medal), 1976.
Colorado State University Alumni Association Professional Achievement Award, 1974.
Fellow, Society of American Foresters.
Fellow, American Association for the Advancement of Science.

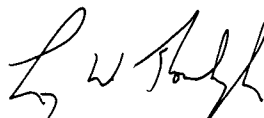
Our business is basically the natural resources of the state and the nation, since it is impossible to look at forests without looking at wildlife, water resources, soil and air. The challenge facing the College of Forest Resources in the next decade is to produce the people and new ideas that will be able to provide natural resources for a growing economy without degrading the quality of the natural environment.

Three major functions served by our forested resources define our vision for the future: commodities, leisure opportunities and the environment. Public policy, the area where these three interact and conflict, may be the most interesting of all in the years ahead. In this regard, part of our vision is a fully functioning Natural Resources Research Center to bring together the scientific and technical talents of N.C. State University and elsewhere to tackle major issues that are facing the state. Our number one job is to educate the leaders of tomorrow in each of these areas. What we try to concentrate on is the two components of leadership—competence and confidence—and we are going to do even more to instill that sense of confidence in the next decade. Equally important to us is education through extension. We have the leading forestry extension program in the nation, which is helping to make sure that citizens understand forests and natural resources and contribute to preserving them.

Undergirding our education efforts is our research program. The College is second in the University in the research dollars brought in by faculty, demonstrating the aggressiveness of our faculty and the high regard in which they are held. Maintaining a strong research program will not only help to create new knowledge but also will support our graduate program, which will grow significantly in the future.

We are also going to instill an international sense in the hearts and minds of our student body. Our leaders and our citizens must understand the global village in which we live, in addition to the fact that forestry involves international issues. This means more than offering a course here and there—we must infuse the international element into all our courses.

In this regard, we are working to establish a Center for World Environment and Sustainable Development. A cooperative effort of the NCSU Colleges of Forest Resources and Agriculture and Life Sciences with Duke University and the University of North Carolina at Chapel Hill, the Center will enable us to attract major funding from international donors and work together to improve our world.



Larry W. Tombaugh
Dean

NORTH CAROLINA STATE UNIVERSITY

College of Forest Resources

NORTH CAROLINA IS A FORESTED STATE

- **62% of Land Area is Forested**
- **Forested Area about size of New Hampshire, Vermont, Connecticut, and Massachusetts combined**

NORTH CAROLINA FORESTS PROVIDE -- *ENVIRONMENTAL VALUES*

- Clean Water
- Clean Air
- Wetlands
- Wildlife Habitat
- Home for Endangered Species
- Biological Diversity

NORTH CAROLINA FORESTS PROVIDE -- *TOURISM AND RECREATION*

- Travel and Tourism is more than a \$10 billion industry in North Carolina
- 48% of tourism visits to NC are based on attraction of natural resources
- Great Smoky Mountain National Park is most heavily visited National Park

NORTH CAROLINA FORESTS PROVIDE --

PRODUCTS, JOBS AND ECONOMIC OPPORTUNITIES

- **Are 2,600** wood products manufacturing firms in NC
- Forest products industry -- lumber, plywood, paper, and furniture -- ranks **second** in manufacturing employment
- **Second** in annual payroll

IN SHORT

NORTH CAROLINA FORESTS PROVIDE --

- Opportunities for hundreds of thousands of North Carolinians to make a good living

AND

- An environment that makes that good living truly worth living

WHAT IS THE PROBLEM?

- Population is EXPLODING
- Tourism is DOUBLING EVERY 7 YEARS
- Forest industry is GROWING AND SHIFTING TO SOUTH
- Public is DEMANDING environmental values associated with forests

*THESE FACTORS ARE PUTTING
ENORMOUS PRESSURES ON FORESTS
AND FOREST RELATED INDUSTRY*

WE HAVE A LITTLE TIME

- For first time in over 80 years, forests in much of South is being harvested at faster rate than is growing
- Without action, this is not sustainable
- In North Carolina, our growth rates still exceed our harvest rates
- Our forests are in better shape than in almost any other southern state

BY ACTING NOW, WE CAN

- Improve water quality
- Quadruple forest productivity
- Expand forest products industry
- Increase natural-resource based tourism
- Reduce natural resource conflicts
- Protect the environment

NC STATE CAN HELP

- Grow more wood on less land
- Increase income opportunities for 400,000 forest landowners and farmers
- Develop environmentally friendly wood products manufacturing processes
- Assist communities with sustainable tourism development
- Foster informed public discussion
- Produce natural resource and industry leaders

COLLEGE OF FOREST RESOURCES IS ORGANIZED TO DEAL WITH CRITICAL NATURAL RESOURCE ISSUES

- Department of Forestry
- Department of Parks, Recreation and Tourism Development
- Department of Wood and Paper Science

*EACH HAS A CRITICAL ROLE IN LEADING
US TO SUSTAINABILITY*

CRITICAL NEEDS IN 1998 AGRICULTURAL PROGRAMS EXPANSION BUDGET REQUEST

- **Forest Biotechnology \$200,000/year**
- **Southern Center for**
 - **Sustainable Forestry \$300,000/year**
- **Rural Tourism Initiative \$240,000/year**

AGRICULTURE & FORESTRY AWARENESS STUDY
COMMISSION TUESDAY JUNE 16 , 1998

TUESDAY, JUNE 16

, 1998

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Doug Lassiter

NC Septic Tank Assoc

The M & L's

$\mu = \text{Chess Const}$ for

Robert E. Cook

NC. Env. Mgt. Comm.

Jahn H. Cyrus

N.C. State Grange

TERRY HARLES 'L

NC Pork Council

Lu-Ann Coe

FFF

Mary Britt

Sampson County Schools

Ed Woodhouse

NCP Fed^x

Phillip Rea

NC State Univ.

Bob's/ecom

UC FORESTRY ASSOCIATION

Larry Tomlinson

NC State Univ.

Gene Brotherton

NCSU Ag Pgmt - Chancellor's Ofc

W. C. B. Kemmer

NOB A, C, E

David M^e Leonard

NC and CS

**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 23, 1998**

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

LOCATION: **Room 1425**

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

HB 1442 - EXEMPT TRANSPORT AGRIC. PRODUCTS	Rep. Mitchell
HB 1467 - SOUTHERN DAIRY COMPACT FUNDS	Rep. Mitchell
HB 1617 - POULTRY COMPOSTING TAX CREDIT	Rep. Mitchell
HB 1560 - SMALL FAMILY FARMS FUNDS	Rep. Mitchell
HB 1649 - PIEDMONT TRIAD FARMERS MARKET FUNDS	Rep. Carpenter

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, June 18, 1998.

____Principal Clerk
____Reading Clerk - House Chamber

Anna Kidd (Committee Clerk)

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
NOTIFICATION TO BILL SPONSOR**

BILL SPONSOR: Representative Frank Mitchell

OFFICE: Room 638

DATE: Wednesday, June 17, 1998

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: Tuesday, June 23, 1998

TIME: 10:00 A.M.

LOCATION: Room 1425

Your Bill (or Bills) will be discussed at this time:

H.B. 1442=EXEMPT TRANSPORT AGRIC. PRODUCTS
H.B. 1467=SOUTHERN DAIRY COMPACT FUNDS
H.B. 1560=SMALL FAMILY FARMS FUNDS
H.B. 1617=POULTRY COMPOSTING TAX CREDIT

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: Representative Jim Carpenter

OFFICE: Room 537

DATE: Wednesday, June 17, 1998

The House Committee on **AGRICULTURE** will meet as follows:

DAY & DATE: Tuesday, June 23, 1998

TIME: 10:00 A.M.

LOCATION: Room 1425

Your Bill (or Bills) will be discussed at this time:

H.B. 1649=PIEDMONT TRIAD FARMERS MARKET FUNDS

We would like to have you attend this meeting.

Representatives John W. Brown
Co-Chairs

Anna Kidd (Committee Clerk)

AGENDA

HOUSE AGRICULTURE COMMITTEE

June 23, 1998

- I. CALL MEETING TO ORDER**
- II. REMARKS BY CHAIRMAN BROWN**
- III. INTRODUCTION OF PAGES**
- IV. HB 1442 - EXEMPT TRANSPORT AGRIC. PRODUCTS**
SPONSOR - REP. FRANK MITCHELL
HB 1467 - SOUTHERN DAIRY COMPACT FUNDS
SPONSOR - REP. FRANK MITCHELL
HB 1617 - POULTRY COMPOSTING TAX CREDIT
SPONSOR - REP. FRANK MITCHELL
HB 1560 - SMALL FAMILY FARMS FUNDS
SPONSOR - REP. FRANK MITCHELL

HB 1649 - PIEDMONT TRIAD FARMERS MARKET FUNDS
SPONSOR - REP. JIM CARPENTER
- V. ANNOUNCEMENTS**
- VI. ADJOURNMENT**

MINUTES

HOUSE COMMITTEE ON AGRICULTURE

June 23, 1998

The House Committee on Agriculture met in Room 1425 of the Legislative Building on Tuesday, June 23, 1998 at 10:00 a.m. Chairman Brown presided over the meeting with twenty House Members present, five House Members absent and one excused absence.

Chairman Brown introduced the Pages serving the Committee and welcomed guests. At this time, Mr. Brown also introduced two special guests: Former House Agriculture Chairman Vernon James and Jim Graham, Commissioner of the Department of Agriculture and Consumer Affairs.

Representative Brown turned the meeting over to Representative Frank Mitchell to speak on House Bill #1442 entitled: **AN ACT TO EXEMPT THE TRANSPORTATION OF CERTAIN AGRICULTURAL PRODUCTS FROM VARIOUS REQUIREMENTS IN CONFORMITY WITH FEDERAL REGULATIONS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.** Mr. Mitchell stated that recent federal law has resulted in the development of uniform federal regulations governing the intrastate transportation of hazardous material. In promulgating these regulations, however, a number of exemptions were authorized in an effort to reduce the regulatory burden where small amounts of certain classes of material were involved and safety would not be compromised.

He further stated that this bill adopts the exemption authorized under 44CFR 173.5 allowing the transportation of agricultural products over local roads, between fields of the same farm. "Agricultural products" are defined to include fertilizers, pesticides, soil amendments and fuel. "Farmers" are defined as persons engaged in the production of crops, poultry, and livestock. 44CFR & 171.8.

To take advantage of the relief offered in the federal regulations, North Carolina must specifically authorize adoption of the exemption by State statute or rule prior to October 1, 1998. The Environmental Review Commission has reviewed the exemption and recommended its adoption to the General Assembly.

The act is effective when it becomes law.

Discussion followed and questions were taken from the floor.

Representative Charles Buchanan moved to give the bill a favorable report and recommended that the bill be re-referred to the Judiciary I Committee. Motion carried.

Representative Mitchell next spoke on House Bill #1467 entitled: **AN ACT TO APPROPRIATE FUNDS TO A NONREVERTING RESERVE FOR THE START-UP COSTS OF THE SOUTHERN DAIRY COMPACT COMMISSION AND THE INITIAL COSTS OF ADMINISTERING AND ENFORCING THE SOUTHERN DAIRY COMPACT, AND TO PROVIDE FOR THE REPAYMENT OF THOSE FUNDS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.**

Mr. Mitchell stated that this bill would appropriate the sum of 1.8 million dollars for the 1998-1999 fiscal year to fund the start-up costs for the Southern Dairy Compact Commission. The funds would be place in a nonreverting reserve within the North Carolina Department of Agriculture and Consumer Services. No distributions would be made from the fund unless Congress ratifies legislation authorizing the operation of the Southern Dairy Compact. Further, the State and the Southern Dairy Compact Commission must enter into an agreement establishing:

1. The administrative headquarters of the Commission in North Carolina;
2. All funds disbursed from the reserve shall be repaid to the State plus interest from revenue collected by the Commission;
3. Notes shall be issued by the Commission to the State in the amount of funds disbursed; and
4. Prior to disbursement, the Commission shall itemize the needs of the Commission to be served by the requested disbursement.

Mr. Mitchell went on to state that the contract between the State and the Commission shall not prevent another participating state from providing part or all the start-up costs. Sums repaid under the contract shall be credited to the General Fund. Any funds not disbursed by the end of the term of the contract shall revert at the end of that fiscal year. If Congress fails to ratify the Compact by June 30, 2001, all funds in the reserve shall revert to the General Fund.

The act becomes effective July 1, 1998.

Further discussion and questions followed.

At this time, Representative John Nichols moved to give the bill a favorable report and recommended that the bill be re-referred to the Committee on Appropriations. Motion carried.

Mr. Mitchell next spoke on House Bill #1617 entitled: **AN ACT TO REMOVE THE SUNSET FOR THE INCOME TAX CREDIT FOR POULTRY COMPOSTING FACILITIES**. Mr. Mitchell stated that this bill removes the sunset provision for the Poultry composting tax credit.

The poultry composting tax credit allows taxpayers, or Subchapter S corporations, to get a tax credit equal to twenty-five percent (25%) of the installation, materials, and equipment costs of construction for the building of a poultry composter that is used for composting whole unprocessed poultry carcasses from commercial operations in which poultry is raised or produced.

This credit may not exceed one thousand dollars (\$1,000) for any single installation.

Representative Owens wanted to make sure that this would not change anything other than remove the sunset provision. Mr. Mitchell said that was correct. Mr. Rex Baker made a motion to adopt the committee substitute. Motion passed. Discussion followed.

At this time, Representative Owens moved for a favorable report as to committee substitute bill, unfavorable as to the original bill. Motion carried.

Chairman Brown introduced Representative Jim Carpenter sponsor of House Bill #1649. Representative Carpenter explained **AN ACT TO APPROPRIATE FUNDS FOR THE PIEDMONT TRIAD FARMERS MARKET** to the Members of the Committee. He stated that there is appropriated from the General Fund to the Department of Agriculture and Consumer Services the sum of fifty-three thousand six hundred thirty-two dollars (\$53,632) for the 1998-99 fiscal year for additional personnel to allow the Piedmont Triad Farmers Market to be open around the clock for wholesale shipping and receiving.

At this time, Representative Don Davis moved to give the bill a favorable report and recommended that the bill be re-referred to the Appropriations Committee. Motion carried.

Representative Brown turned the meeting back to Representative Frank Mitchell for explanation of House Bill #1560 entitled: **AN ACT TO PROVIDE ASSISTANCE FOR SMALL, FAMILY-OWNED FARMS THROUGH GRANTS AND LOANS.** Mr. Mitchell stated that this bill makes a number of appropriations to the North Carolina Department of Agriculture and Consumer Services for the assistance of small, family-owned farms.

Twelve million dollars is appropriated to the North Carolina Rural Rehabilitation Corporation, within NCDA, for loans to small, family-owned farms that are in financial difficulty as evidenced by their inability to obtain conventional financing. Loan priorities under this fund would include:

1. Dairy farms with fewer than 300 dairy cows.
2. Turkey farms that have lost contracts with integrators for reasons other than environmental violations.
3. Swine farms with fewer than 500 head.
4. Peach or apple farms that have lost 50% or more of their crop due to freeze damage.

Mr. Mitchell stated that these loans would not exceed 20 years and shall be made pursuant to the lending requirements of the North Carolina Rural Rehabilitation Corporation.

He further explained that the bill would also appropriate 2 million dollars to the NCDA to be used as grants to farmers of family-owned dairies having fewer than 300 dairy cows for purchase of animal waste management equipment. No funds may be used for the expansion or maintenance of anaerobic lagoons. The recipient of the grant funds must maintain the current level of dairy production for at least 5 years or the grant must be repaid on a prorated basis.

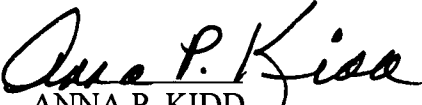
Finally, he stated that the sum of \$250,000 is appropriated to NCDA for grants for local farmers markets to promote and sell farm products produced by local small, family-owned farms.

Considerable discussion with several questions followed.

Representative Douglas Yongue moved to give the bill a favorable report and recommended that the bill be re-referred to the Committee on Appropriations. Motion carried.

The meeting adjourned at 10:50 a.m.


JOHN W. BROWN, CHAIRMAN


ANNA P. KIDD

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1442*

Short Title: Trans. Ag. Products Exempt.

(Public)

Sponsors: Representatives Mitchell; Hill, Tolson, and Warwick.

Referred to: Agriculture, if favorable, Judiciary I.

May 25, 1998

1 A BILL TO BE ENTITLED

2 AN ACT TO EXEMPT THE TRANSPORTATION OF CERTAIN
3 AGRICULTURAL PRODUCTS FROM VARIOUS REQUIREMENTS IN
4 CONFORMITY WITH FEDERAL REGULATIONS, AS RECOMMENDED BY
5 THE ENVIRONMENTAL REVIEW COMMISSION.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 20-377 reads as rewritten:

8 "**§ 20-377. General powers of ~~Division~~. Division; agricultural exemption.**

9 (a) The Division shall have and exercise such general power and authority to
10 supervise and control the motor carriers of the State as may be necessary to carry out
11 the laws providing for their regulation, and all such other powers and duties as may
12 be necessary or incident to the proper discharge of its duties.

13 (b) The definitions set out in 49 Code of Federal Regulations § 171.8 apply to this
14 subsection. The citations to the Code of Federal Regulations (CFR) refer to the 1
15 October 1997 Edition of the CFR. The transportation of an agricultural product,
16 other than a Class 2 material, over local roads between fields of the same farm by a
17 farmer operating as an intrastate private motor carrier is exempt from the
18 requirements of Parts 171 through 180 of 49 CFR as provided in 49 CFR § 173.5."

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

**1998 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. 1442 A BILL TO BE ENTITLED AN ACT TO EXEMPT THE TRANSPORTATION OF CERTAIN AGRICULTURAL PRODUCTS FROM VARIOUS REQUIREMENTS IN CONFORMITY WITH FEDERAL REGULATIONS, 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 ☒ 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. (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 1467*

Short Title: Southern Dairy Compact Cmsn. Funds.

(Public)

Sponsors: Representatives Mitchell; and Hackney.

Referred to: Agriculture, if favorable, Appropriations.

May 25, 1998

1 A BILL TO BE ENTITLED

2 AN ACT TO APPROPRIATE FUNDS TO A NONREVERTING RESERVE FOR
3 THE START-UP COSTS OF THE SOUTHERN DAIRY COMPACT
4 COMMISSION AND THE INITIAL COSTS OF ADMINISTERING AND
5 ENFORCING THE SOUTHERN DAIRY COMPACT AND TO PROVIDE FOR
6 THE REPAYMENT OF THOSE FUNDS, AS RECOMMENDED BY THE
7 ENVIRONMENTAL REVIEW COMMISSION.

8 The General Assembly of North Carolina enacts:

9 Section 1. There is appropriated from the General Fund to a
10 nonreverting reserve within the Department of Agriculture and Consumer Services
11 the sum of one million eight hundred thousand dollars (\$1,800,000) for the 1998-99
12 fiscal year for the start-up costs of the Southern Dairy Compact Commission, to be
13 established pursuant to Section 4 of the Southern Dairy Compact as set forth in G.S.
14 106-810, and the initial costs of administration and enforcement of the Southern
15 Dairy Compact.

16 Section 2. (a) The Director of the Budget shall make no disbursements
17 from the reserve established in Section 1 of this act to the Southern Dairy Compact
18 Commission unless Congress ratifies legislation authorizing the operation of the
19 Southern Dairy Compact, and the State of North Carolina and the Southern Dairy
20 Compact Commission enter into a contract, approved by the Attorney General and
21 the Commissioner of Agriculture, that contains all of the following provisions:

22 (1) That the administrative headquarters of the Southern Dairy
23 Compact Commission shall be located within this State.

(2) That all funds disbursed from the reserve to the Southern Dairy Compact Commission shall be repaid to the State, plus interest at an amount to be agreed upon by the parties, from revenue pledged by the Commission, assessments collected by the Commission, or the reserve of the Commission, in accordance with a repayment schedule to be agreed upon by the parties.

(3) That the Southern Dairy Compact Commission shall issue notes to the State of North Carolina in the amount of the funds disbursed from the reserve under this act.

(4) That, prior to each disbursement, the Southern Dairy Compact Commission shall itemize the needs of the Commission to be served by the requested disbursement and an itemized list showing how the most recent disbursement was spent.

(b) The contract under this section shall not contain any provision that prevents another participating state, as defined in Section 2 of the Southern Dairy Compact as set forth in G.S. 106-810, from providing some or all of the start-up costs of the Southern Dairy Compact Commission or its initial costs of administration and enforcement of the Southern Dairy Compact.

(c) All sums repaid to the State pursuant to the contract under this section shall be credited to the General Fund.

(d) Any funds not disbursed from the reserve under this act by the end of the term of years provided in the contract under this section shall revert at the end of that fiscal year.

(e) Upon the failure of Congress to ratify legislation authorizing the operation of the Southern Dairy Compact by June 30, 2001, all funds in the reserve shall revert to the General Fund.

Section 3. This act becomes effective July 1, 1998.

**1998 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. 1467 A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS TO A NONREVERTING RESERVE FOR THE START-UP COSTS OF THE SOUTHERN DAIRY COMPACT COMMISSION AND THE INITIAL COSTS OF ADMINISTERING AND ENFORCING THE SOUTHERN DAIRY COMPACT AND TO PROVIDE FOR THE REPAYMENT OF THOSE FUNDS, 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 (#), ☐ 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 1560

Short Title: Small Family Farms Act.

(Public)

Sponsors: Representatives Mitchell; Baker, Buchanan, Cansler, Culp, Davis, Hackney, Hiatt, Justus, Kiser, Owens, Sexton, Sherrill, Tolson, G. Wilson, and Wood.

Referred to: Agriculture, if favorable, Appropriations.

May 28, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE ASSISTANCE FOR SMALL, FAMILY-OWNED FARMS
3 THROUGH GRANTS AND LOANS.
4 The General Assembly of North Carolina enacts:
5 Section 1. Legislative Findings. -- The General Assembly recognizes the
6 economic and environmental advantages in maintaining and promoting small tracts of
7 land for agricultural production. Small-farm families are providing necessary food
8 and fiber for North Carolina citizens. Small farms provide beautiful land and open
9 spaces for the enjoyment of all North Carolina citizens. By using best management
10 practices, farmers of small, family-owned farms are actively working to protect the
11 environment. At the same time, they provide valuable products to our citizens and
12 preserve a way of life important to our cultural heritage. The Department of
13 Agriculture and Consumer Services should offer assistance for small, family-owned
14 farms through grants and loans.
15 Section 2. (a) There is appropriated from the General Fund to the North
16 Carolina Rural Rehabilitation Corporation within the Department of Agriculture
17 and Consumer Services the sum of twelve million dollars (\$12,000,000) for the 1998-
18 99 fiscal year to be used to make loans to those farmers of small, family-owned farms
19 having financial difficulty as shown by their inability to obtain affordable
20 conventional loans from other sources.
21 (b) Priority for loans from the funds appropriated under this section shall
22 be extended for the following small, family-owned farms:

(1) Dairy farms with fewer than 300 dairy cows.

(2) Turkey farms that have lost contracts with integrators for reasons not related to having violated environmental laws or rules.

(3) Swine farms of fewer than 500 swine at any time.

(4) Peach or apple farms that have lost fifty percent (50%) or more of their fruit crop due to frost or freeze damage.

(c) The term of the loans under this section shall not exceed 20 years.

These loans shall be provided in accordance with the lending requirements of the North Carolina Rural Rehabilitation Corporation pursuant to Article 2 of Chapter 137 of the General Statutes.

(d) The Department of Agriculture and Consumer Services shall adopt rules to implement this section.

Section 3. (a) There is appropriated from the General Fund to the Department of Agriculture and Consumer Services the sum of two million dollars (\$2,000,000) for the 1998-99 fiscal year to be used for grants to farmers of family-owned dairies for the purchase of equipment that is a component of an animal waste management system and that is used solely for the purpose of transporting, storing, or distributing animal waste. This equipment shall be limited to: pumps, spraying equipment, scrape blades, box blades, storage equipment, and any transport equipment, including tanks, spreaders, and applicators.

(b) No funds appropriated under this section shall be used to enlarge anaerobic lagoons or for the maintenance of anaerobic lagoons.

(c) The Department shall adopt rules that establish guidelines for disbursing the funds in a fair and equitable manner and any other rules needed to implement this section. Each recipient of grant funds under this section shall enter into a contract with the Department that contains provisions of the loan that are consistent with these guidelines. This contract shall provide for the enforcement of the terms of the contract. This contract shall provide that the recipient continue to operate at the current level of dairy production for a period of at least five years. This contract shall provide that if the recipient reduces the number of dairy cows or ceases operation in fewer than five years, the recipient shall repay the Department of Agriculture and Consumer Services a prorated share of the grant funds received by that recipient.

(d) Only dairies with fewer than 300 dairy cows that were in operation prior to January 1, 1998, are eligible for grants under this section.

Section 4. There is appropriated from the General Fund to the Department of Agriculture and Consumer Services the sum of two hundred fifty thousand dollars (\$250,000) for the 1998-99 fiscal year to be used as grants to local farmers markets for the purpose of promoting or selling farm products produced by local small, family-owned farms. The Department shall establish guidelines and procedures for disbursing these grants in a fair and equitable manner. The Department shall adopt any rules needed to implement this section.

Section 5. This act becomes effective July 1, 1998.

**1998 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. 1560 A BILL TO BE ENTITLED AN ACT TO PROVIDE ASSISTANCE FOR
SMALL, FAMILY-OWNED FARMS THROUGH GRANTS AND LOANS.

☐ 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 1649

Short Title: Piedmont Triad Farmers Mkt. Funds.

(Public)

Sponsors: Representatives Carpenter, Brown; Culp, Jarrell, Jeffus, and Sexton.

Referred to: Agriculture, if favorable, Appropriations.

May 28, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR THE PIEDMONT TRIAD FARMERS
3 MARKET.

4 The General Assembly of North Carolina enacts:

5 Section 1. There is appropriated from the General Fund to the
6 Department of Agriculture and Consumer Services the sum of fifty-three thousand six
7 hundred thirty-two dollars (\$53,632) for the 1998-99 fiscal year for additional
8 personnel to allow the Piedmont Triad Farmers Market to be open around the clock
9 for wholesale shipping and receiving.

10 Section 2. This act becomes effective July 1, 1998.

**1998 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. 1649 A BILL TO BE ENTITLED AN ACT TO APPROPRIATE FUNDS FOR THE
PIEDMONT TRIAD FARMERS MARKET.

☐ 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

**1998 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. 1617 A BILL TO BE ENTITLED AN ACT TO REMOVE THE SUNSET FOR THE
INCOME TAX CREDIT FOR POULTRY COMPOSTING FACILITIES.

☐ 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

1

HOUSE BILL 1617

Short Title: Poultry Composting Tax Credit.

(Public)

Sponsors: Representatives Mitchell; Allred, Davis, and Hackney.

Referred to: Agriculture, if favorable, Finance.

May 28, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO REMOVE THE SUNSET FOR THE INCOME TAX CREDIT FOR
3 POULTRY COMPOSTING FACILITIES.

4 The General Assembly of North Carolina enacts:

5 Section 1. Section 4 of Chapter 543 of the 1995 Session Laws reads as
6 rewritten:

7 "Sec. 4. Section 1 of this act becomes effective for taxable years beginning on or
8 after January 1, 1995, and expires for taxable years beginning on or after January 1,
9 1998. 1995. The remainder of this act is effective upon ratification."

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

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 1617

Proposed Committee Substitute H1617-PCS3149-RF01

Short Title: Poultry Composting Tax Credit.

(Public)

Sponsors:

Referred to:

May 28, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO EXTEND THE INCOME TAX CREDIT FOR POULTRY
3 COMPOSTING FACILITIES TO CORPORATE ENTITIES AND TO REMOVE
4 THE SUNSET FOR THE TAX CREDIT.

5 The General Assembly of North Carolina enacts:

6 Section 1. Division I of Article 4 of Chapter 105 of the General Statutes
7 is amended by adding a new section to read:

8 "**§ 105-130.43. Credit for construction of poultry composting facility.**

9 A taxpayer who constructs in this State a poultry composting facility as defined in
10 G.S. 106-549.51 for the composting of whole, unprocessed poultry carcasses from
11 commercial operations in which poultry is raised or produced is allowed as a credit
12 against the tax imposed by this Division an amount equal to twenty-five percent
13 (25%) of the installation, materials, and equipment costs of construction paid during
14 the taxable year. This credit may not exceed one thousand dollars (\$1,000) for any
15 single installation. The credit allowed by this section may not exceed the amount of
16 tax imposed by this Division for the taxable year reduced by the sum of all credits
17 allowable, except payments of tax by or on behalf of the taxpayer. The credit
18 allowed by this section does not apply to costs paid with funds provided the taxpayer
19 by a State or federal agency."

20 Section 2. G.S. 105-151.25(a) reads as rewritten:

21 "(a) Credit. -- A taxpayer ~~or Subchapter S corporation~~ who constructs in this
22 State a poultry composting facility as defined in G. S. 106-549.51 for the composting
23 of whole, unprocessed poultry carcasses from commercial operations in which poultry

1 is raised or produced is allowed as a credit against the tax imposed by this Division
2 an amount equal to twenty-five percent (25%) of the installation, materials, and
3 equipment costs of construction paid during the taxable year. This credit may not
4 exceed one thousand dollars (\$1,000) for any single installation. The credit allowed
5 by this section may not exceed the amount of tax imposed by this Division for the
6 taxable year reduced by the sum of all credits allowable, except payments of tax by or
7 on behalf of the taxpayer. The credit allowed by this section does not apply to costs
8 paid with funds provided the taxpayer by a State or federal agency."
9 Section 3. This act is effective for taxable years beginning on or after
10 January 1, 1998.

AGRICULTURE & FORESTRY AWARENESS STUDY COMMISSION

TUESDAY, JUNE 23

, 1998

TUESDAY, JUNE 23

, 1998

Name of Committee

Date _____

NAME

FIRM OR AGENCY AND ADDRESS

Debra Swiren	Department of Revenue
DAVE A. MOODY	DMV ENFORCEMENT SECTION
S. CHARLIE CARDEN	NCDMV Enforcement
Mickie C. Cleave	NCDHHS
Harmon James	Granger, NC
Edwitt Hunsley	N.C. Dept of Agri
David McLeod	NCDHHS
Jim Graham	Commission of Agri
Walter D. Perry	NCDHHS



BREAKFAST IS SERVED

THE HOUSE AGRICULTURE COMMITTEE

WILL MEET FOR BREAKFAST

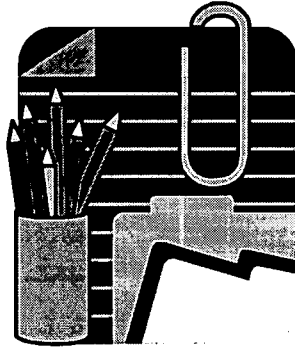
**WEDNESDAY, JULY 1, 1998
7 A.M.**

**PAM'S FARM HOUSE
(formerly Neptune's Galley)
5111 Western Boulevard**

**SPONSORED
BY**

*ROGER BONE AND ASSOCIATES
AND
THE PORK COUNCIL*

**OUR SPONSORS NEED A HEAD COUNT
PLEASE RSVP—ASAP
THANKS**



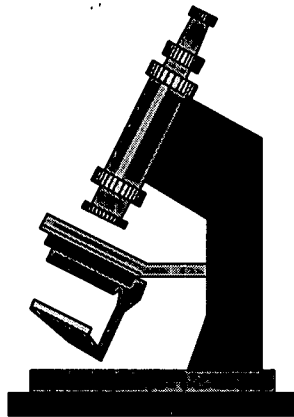
REMINDER

**THE HOUSE AGRICULTURE COMMITTEE WILL
BE HAVING BREAKFAST IN THE MORNING**

**I HAVE HEARD FROM LESS THEN HALF OF THE
TWENTY-EIGHT MEMBERS**

**PLEASE LET ME KNOW IF YOUR MEMBER DOES
NOT PLAN TO ATTEND**

YOUR HELP IS GREATLY APPRECIATED!



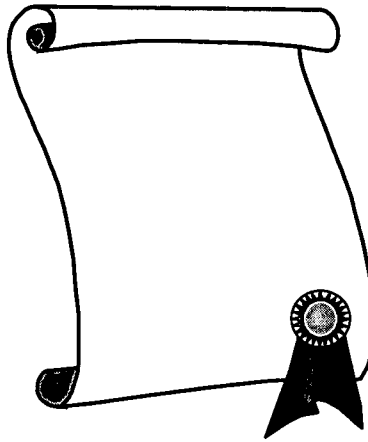
AGRICULTURE COMMITTEE BREAKFAST

**BREAKFAST WILL BE SERVED
WEDNESDAY, AUGUST 5, 1998
7:00 A.M.**

LAKE WHEELER FIELD LABORATORY

**SPONSORED BY
NORTH CAROLINA STATE UNIVERSITY
COLLEGE OF AGRICULTURE AND LIFE SCIENCE**

**FIRST AGRICULTURE BREAKFAST WITH THE NEW
UNIVERSITY CHANCELLOR**



UP DATE ON AGRICULTURE BREAKFAST

**THIS WILL BE A JOINT BREAKFAST WITH THE
SENATE AGRICULTURE COMMITTEE**

**VANS WILL BE PROVIDED BY NCSU COLLEGE OF
AGRICULTURE AND LIFE SCIENCE FOR
TRANSPORTATION**

**THE VANS WILL LEAVE AT 6:45 A.M. UNDER THE
BRIDGE BETWEEN OUR TWO BUILDINGS**

EVERYONE WILL BE BACK BY 8:30 A.M.

**PLEASE LET ME KNOW IF YOUR
REPRESENTATIVE PLANS TO ATTEND.**