

2015

**HOUSE
AGING**

MINUTES

HOUSE COMMITTEE ON AGING
2015-2016 SESSION

Clerks: Deborah Holder and Barbara Gaiser



Rep. Pat Hurley, Chair



Rep. Rena Turner, Chair



**Rep. Susan Fisher,
Vice Chair**



**Rep. Joe Sam Queen
Vice-Chair**



Rep. Debra Conrad



Rep. Carla Cunningham



Rep. Beverly Earle



Rep. Farmer-Butterfield





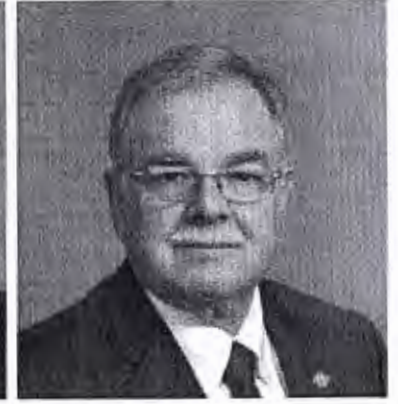
Rep. Bryan Holloway



Rep. Julia Howard



Rep. Jonathan Jordan



Rep. Donny Lambeth



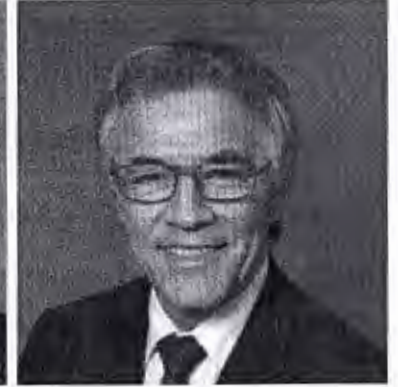
Rep. Graig Meyer



Rep. Larry Pittman



Rep. Mitchell Setzer



Rep. Harry Warren



HOUSE COMMITTEE ON AGING

3.25.2015

MEMBER	ASSISTANT	PHONE	OFFICE	SEAT
Rep. Pat Hurley, Chair	Debbie Holder, Clerk	3-5865	532	10
Rep. Rena Turner, Chair	Barbara Gaiser, Clerk	3-5661	602	68
Rep. Susan Fisher, Vice-Chair	Cindy Garrison	5-2013	504	81
Rep. Joe Sam Queen, Vice-Chair	Gregory Lademann	5-3005	1017	103
Rep. Debra Conrad	Clark Riemer	3-5787	606	44
Rep. Carla Cunningham	Sherrie Burnette	3-5807	1109	59
Rep. Beverly Earle	Ann Raeford	5-2530	514	60
Rep. Farmer-Butterfield	Tijuana Locus	3-5898	1220	45
Rep. Bryan Holloway	Emma Shelby	3-5609	305	15
Rep. Julia Howard	Cody Honeycutt	3-5904	302	1
Rep. Jonathan Jordan	Kevin King	3-7727	420	42
Rep. Donny Lambeth	Pan Briles	3-5747	303	77
Rep. Graig Meyer	Daphne Quinn	5-3019	1111	117
Rep. Larry Pittman	Tammy Pittman	5-2009	1010	43
Rep. Mitchell Setzer	Margaret Herring	3-4948	2204	7
Rep. Harry Warren	Cristy Yates	3-5784	611	62



House Committee on Aging
Wednesday, March 11, 2015 at 2:00 PM
Room 423 of the Legislative Office Building

MINUTES

The House Committee on Aging met at 2:00 PM on March 11, 2015 in Room 423 of the Legislative Office Building. Representatives Hurley, Turner, Fisher, Queen, Cunningham, Earle, Farmer-Butterfield, Howard, Jordan, Lambeth, Meyer, Pittman, Setzer and Warren attended.

Chair Hurley, presided and called the meeting to order at 2:05 PM.

Chair Hurley recognized the Pages and Sergeants at Arms.

Van Braxton, Director/Deputy Commissioner, NC Seniors' Health Insurance Information Program (SHIIP), NC Department of Insurance was recognized for a presentation. His presentation was followed by a time of question and answers by the committee members.

The following bill was considered for discussion only:

HB 46 Senior Tax Deduction for Medical Expenses. (Representative Catlin)

Representative Catlin presented his bill for discussion only.

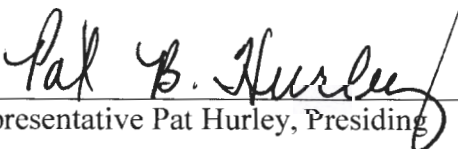
Sindy Barker, Legislative Chair of North Carolina Continuing Care Residents Association (NCCCRA) spoke in favor of the bill.

The members had a time for questions and answers.

Representative Catlin discussed the fiscal note, followed by additional questions from the members.

Chair Hurley asked the members to introduce themselves.

There being no further business, the meeting adjourned at 2:49 PM.


Representative Pat Hurley, Presiding


Debbie Holder, Committee Clerk



Corrected #1: Time Change to 2:00 PM

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

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

DAY & DATE: Wednesday, March 11, 2015

TIME: Change time to 2:00 PM

LOCATION: 423 LOB

COMMENTS: There will also be a presentation from Van Braxton, Director/Deputy Commissioner, NC Seniors' Health Insurance Information Program (SHIP), Department of Insurance

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 46	Senior Tax Deduction for Medical Expenses.	Representative Catlin

Respectfully,

Representative Pat B. Hurley, Co-Chair
Representative Rena W. Turner, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:01 AM on Wednesday, March 11, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Deborah Holder (Committee Assistant)



**House Committee on Aging
Wednesday, March 11, 2015, 11:00 AM
423 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages and Sergeant-at-Arms

Bills:

BILL NO.	SHORT TITLE	SPONSOR
HB 46	Senior Tax Deduction for Medical Expenses	Representative Catlin

Presentations

Van Braxton, Director/Deputy Commissioner, NC Seniors' Health Insurance Information Program (SHIIP), Department of Insurance

Introduction of Committee Members

Other Business

Adjournment



HOUSE COMMITTEE ON AGING

[illegible]



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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1

HOUSE BILL 46

Short Title: Senior Tax Deduction for Medical Expenses. (Public)

Sponsors: Representative Catlin (Primary Sponsor).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Aging, if favorable, Finance.

February 5, 2015

A BILL TO BE ENTITLED
AN ACT TO ALLOW AN INDIVIDUAL INCOME TAX DEDUCTION FOR MEDICAL
EXPENSES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-153.5(a) reads as rewritten:

"§ 105-153.5. Modifications to adjusted gross income.

(a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. The deduction amounts are as follows:

- (1) Standard deduction amount. – The standard deduction amount is zero for a person who is not eligible for a standard deduction under section 63 of the Code. For all other taxpayers, the standard deduction amount is equal to the amount listed in the table below based on the taxpayer's filing status:

Filing Status	Standard Deduction
Married, filing jointly	\$15,000
Head of Household	12,000
Single	7,500
Married, filing separately	7,500.

- (2) Itemized deduction amount. – An amount equal to the sum of the items listed in this subdivision. The amounts allowed under this subdivision are not subject to the overall limitation on itemized deductions under section 68 of the Code:

- a. Charitable contribution deduction amount. – The amount allowed as a deduction for charitable contributions under section 170 of the Code for that taxable year.
- b. Mortgages expenses and property taxes. – The amount allowed as a deduction for interest paid or accrued during the taxable year under section 163(h) of the Code with respect to any qualified residence plus the amount claimed by the taxpayer as a deduction for property taxes paid or accrued on real estate under section 164 of the Code for that taxable year. The amount allowed under this sub-subdivision may not exceed twenty thousand dollars (\$20,000). For spouses filing as married filing separately or married filing jointly, the total



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1 mortgage interest and real estate taxes claimed by both spouses
2 combined may not exceed twenty thousand dollars (\$20,000). For
3 spouses filing as married filing separately with a joint obligation for
4 mortgage interest and real estate taxes, the deduction for these items
5 is allowable to the spouse who actually paid them. If the amount of
6 the mortgage interest and real estate taxes paid by both spouses
7 exceeds twenty thousand dollars (\$20,000), these deductions must be
8 prorated based on the percentage paid by each spouse. For joint
9 obligations paid from joint accounts, the proration is based on the
10 income reported by each spouse for that taxable year.

11 c. Medical expenses. – The amount allowed as a deduction for medical
12 expenses under section 213 of the Code for that taxable year to the
13 extent the medical expenses are incurred for a person who has
14 attained the age of 65 before the close of the taxpayer's taxable year."

15 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,

16 2015.



GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: House Bill 46 (First Edition)

SHORT TITLE: Senior Tax Deduction for Medical Expenses.

SPONSOR(S): Representative Catlin

FISCAL IMPACT (\$ in millions)					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
State Impact	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
General Fund Revenues:	(\$37.9)	(\$39.2)	(\$40.7)	(\$42.4)	(\$44.1)
General Fund Expenditures:					
Special Fund Revenues:					
Special Fund Expenditures:					
State Positions:					
NET STATE IMPACT	(\$37.9)	(\$39.2)	(\$40.7)	(\$42.4)	(\$44.1)

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina Department of Revenue

EFFECTIVE DATE: This act is effective for taxable years beginning on or after January 1, 2015

TECHNICAL CONSIDERATIONS:
None

BILL SUMMARY:

House Bill 46 amends GS 105-153.5, making clarifying changes to itemized deduction amounts, and enacting the new GS 105-153.5(a)(2)c, providing for a medical expenses itemized individual income tax deduction. It provides that the deduction is for the amount allowed pursuant to Section 213 of the U.S. Internal Revenue Code for medical expenses incurred for a person who is 65 years old or older before the close of the taxpayer's taxable year. The bill is effective beginning on or after January 1, 2015.

ASSUMPTIONS AND METHODOLOGY:

Fiscal Research employs the use of the BearingPoint North Carolina Individual Income Tax Model to estimate the impact of individual income tax law changes. By including unlimited medical expenses, as allowed under the Federal Form 1040 (Schedule A), to the list of allowable North Carolina itemized deductions, the impact would be a \$78.6 Million loss in individual income tax revenue in FY15-16. That amount reflects the impact on all taxpayers.



According to Federal data from the IRS Statistics of Income Report for Tax Year 2012, the most recent report available, 45.5% of allowable medical expenses from itemizers are attributable to those taxpayers 65 and over. For FY15-16, this amounts to a \$35.8 Million loss.

In addition, the bill language includes any allowable medical expenses for those 65 and over, which can include dependents living in the household of a taxpayer below 65 years of age. Federal IRS Statistics of Income data shows 5.0% of all exemptions, for taxpayers less than 65 years of age, are for a dependent parent or other dependent that's not a child. That would yield approximately \$2.1 Million in lost tax revenue for FY15-16.

This results in a total estimated loss from individual income tax revenue at \$37.9 Million for FY15-16.

SOURCES OF DATA: BearingPoint North Carolina Individual Income Tax Model, IRS Statistics of Information Report, Moody's Analytics

TECHNICAL CONSIDERATIONS: NONE

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Brian Slivka

APPROVED BY:

Mark Trogon, Director
Fiscal Research Division

DATE: February 9, 2015



Signed Copy Located in the NCGA Principal Clerk's Offices





HOUSE BILL 46: Senior Tax Deduction for Medical Expenses

2015-2016 General Assembly

Committee: House Aging, if favorable, Finance
Introduced by: Rep. Catlin
Analysis of: First Edition

Date: March 10, 2015
Prepared by: Theresa Matula
Committee Staff

SUMMARY: *House Bill 46 allows a North Carolina individual income tax deduction for medical expenses for an individual age 65 and older, effective for taxable years beginning on or after January 1, 2015.*

CURRENT LAW:

Federal Income Tax Treatment of Medical Expenses

26 US Code, § 213, allows as a deduction the expenses paid during the taxable year, not compensated for by insurance or otherwise, for medical care of the taxpayer, his or her spouse, or a dependent (as defined), to the extent that such expenses exceed a specified percent of adjusted gross income. According to IRS Publication 502 (2014), medical expenses include "costs of diagnosis, cure, mitigation, treatment, or prevention of disease, and the costs for treatments affecting any part or function of the body." Medical expenses also include premiums for insurance that covers expenses of medical care, transportation to get medical care, amounts paid for qualified long-term care services and limited amounts paid for a qualified long-term care insurance contract. According to Publication 502, "you can deduct on Schedule A (Form 1040) only the amount of your medical and dental expenses that is more than 10% of your AGI (Adjusted Gross Income). But if either you or your spouse was born before January 2, 1950, you can deduct the amount of your medical and dental expenses that is more than 7.5% of your AGI."

North Carolina Tax Treatment of Medical Expenses

In 2013, North Carolina tax law was changed and medical and dental expenses were no longer allowable income tax deductions on North Carolina individual income tax returns.

N.C. General Statutes Chapter 105, Article 4, Part 2 pertains to Individual Income Tax. G.S. 105-153.5 provides for modifications to adjusted gross income. Specifically it allows a taxpayer to deduct from adjusted gross income either the standard deduction amount provided in subdivision (1), or the itemized deduction amount outlined in subdivision (2) which currently pertains only to a deduction for charitable contributions and mortgage expenses and property taxes.

BILL ANALYSIS: House Bill 46 amends G.S. 105-153.5 pertaining to modifications to adjusted gross income, specifically itemized deductions. The bill provides headings for the two current sub-subdivisions and adds a new sub-subdivision (G.S. 105-153.5(a)(2)c) pertaining to a deduction for medical expenses. G.S. 105-153.5(a)(2)c. allows itemized deductions for medical expenses in the amount allowed as a deduction for medical expenses under section 213 of the Internal Revenue Code for that taxable year. The medical expenses incurred must be for a person who has attained the age of 65 before the close of the taxpayer's taxable year.

EFFECTIVE DATE: The act would be effective for taxable years beginning on or after January 1, 2015.

O. Walker Reagan
Director



Research Division
(919) 733-2578

Committee Sergeants at Arms

NAME OF COMMITTEE HOUSE COMM ON AGING

DATE: 03-11-2015 Room: 423 LOB

House Sgt-At Arms:

1. Name: REGGIE SILLS

2. Name: MARVIN LEE

3. Name: TERRY McCRAW

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____



PAGES

Wednesday, March 11
ENVIRONMENT

Room
423

Time
2:00 pm

Name	County	Sponsor
Claire Stevens	Iredell	John A. Fraley
Mary Stuart Sloan	Mecklenburg	John R. Bradford, III
Austin Johnson	McDowell	Josh Dobson



VISITOR REGISTRATION SHEET

HOUSE COMMITTEE ON AGING

Name of Committee

3-11-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Donald Turner

Rep. Ron Turner

Sandy Barker

NCCRA legislative chair

Lu Ann Chappin

CSS

Andy Mann

SO

G Lane

NCGA



VISITOR REGISTRATION SHEET

HOUSE COMMITTEE ON AGING

Name of Committee

3-11-15

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Kay Castillo

NASW-NC

Mary Bethel

AARP-NC

David Heinen

N.C. Center for Nonprofits

Rhian merwald

Williams mullen

Roger Youns

Policy Advisor for Finance



**House Committee on Aging
Wednesday, March 25, 2015 at 11:00 A. M.
Room 423 of the Legislative Office Building**

MINUTES

The House Committee on Aging met at 11:00 A.M. on Wednesday, March 25, 2015 in Room 423 of the Legislative Office Building. Representatives Hurley, Turner, Fisher, Queen, Cunningham, Earle, Jordan, Lambeth, Meyer, Pittman, and Warren attended.

Chair Turner presided and called the meeting to order at 11:00 A.M.

Chair Turner recognized the Pages and Sergeants at Arms.

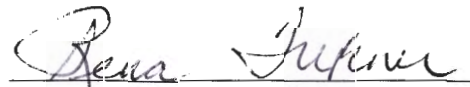
Rep Catlin was recognized to give a brief summary of the bill prior to members voting.

HB 46 Senior Tax Deduction for Medical Expenses

Rep Jordan made a motion for a favorable report on the bill with a re-referral to the Finance Committee. Rep Hurley seconded the motion and the motion passed.

Suzanne Merrill, Director, Division of Aging and Adult Services, DHHS was recognized for a presentation. Ms Merrill provided handouts for all committee members prior to her presentation. The presentation was followed by a time of questions and answers by the committee members. (See Attachment)

The meeting adjourned at 11:53 A.M.


Representative Rena Turner, Presiding


Barbara Gaiser, Committee Clerk



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

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

DAY & DATE: Wednesday, March 25, 2015

TIME: 11:00 AM

LOCATION: 423 LOB

COMMENTS: There will also be a presentation from Suzanne Merrill, Director, Division of Aging and Adult Services DHHS.

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 46	Senior Tax Deduction for Medical Expenses.	Representative Catlin

Respectfully,

Representative Pat B. Hurley, Co-Chair
Representative Rena W. Turner, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 2:26 PM on Thursday, March 19, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Barbara Gaiser (Committee Assistant)



**House Committee on Aging
Wednesday, March 25, 2015, 11:00 AM
423 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages and Sergeant-at-Arms

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 46	Senior Tax Deduction for Medical Expenses.	Representative Catlin

Presentations

Suzanne Merrill, Director, Division of Aging and Adult Services, DHHS.

Other Business

Adjournment



**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**AGING COMMITTEE REPORT
Representative Pat B. Hurley, Co-Chair
Representative Rena W. Turner, Co-Chair**

FAVORABLE AND RE-REFERRED

HB 46

Senior Tax Deduction for Medical Expenses.

Draft Number: None

Serial Referral: FINANCE

Recommended Referral: None

Long Title Amended: No

Floor Manager: Catlin

TOTAL REPORTED: 1



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GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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1

HOUSE BILL 46

Short Title: Senior Tax Deduction for Medical Expenses.

(Public)

Sponsors: Representative Catlin (Primary Sponsor).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Aging, if favorable, Finance.

February 5, 2015

A BILL TO BE ENTITLED
AN ACT TO ALLOW AN INDIVIDUAL INCOME TAX DEDUCTION FOR MEDICAL
EXPENSES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-153.5(a) reads as rewritten:

"§ 105-153.5. Modifications to adjusted gross income.

(a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. The deduction amounts are as follows:

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Filing Status	Standard Deduction
Married, filing jointly	\$15,000
Head of Household	12,000
Single	7,500
Married, filing separately	7,500.

- (2) Itemized deduction amount. – An amount equal to the sum of the items listed in this subdivision. The amounts allowed under this subdivision are not subject to the overall limitation on itemized deductions under section 68 of the Code:

- a. Charitable contribution deduction amount. – The amount allowed as a deduction for charitable contributions under section 170 of the Code for that taxable year.
- b. Mortgages expenses and property taxes. – The amount allowed as a deduction for interest paid or accrued during the taxable year under section 163(h) of the Code with respect to any qualified residence plus the amount claimed by the taxpayer as a deduction for property taxes paid or accrued on real estate under section 164 of the Code for that taxable year. The amount allowed under this sub-subdivision may not exceed twenty thousand dollars (\$20,000). For spouses filing as married filing separately or married filing jointly, the total



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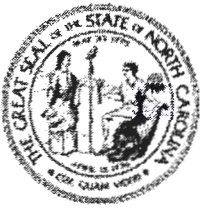
1 mortgage interest and real estate taxes claimed by both spouses
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8 prorated based on the percentage paid by each spouse. For joint
9 obligations paid from joint accounts, the proration is based on the
10 income reported by each spouse for that taxable year.

11 c. Medical expenses. — The amount allowed as a deduction for medical
12 expenses under section 213 of the Code for that taxable year to the
13 extent the medical expenses are incurred for a person who has
14 attained the age of 65 before the close of the taxpayer's taxable year."

15 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,

16 2015.





HOUSE BILL 46: Senior Tax Deduction for Medical Expenses

2015-2016 General Assembly

Committee: House Aging, if favorable, Finance
Introduced by: Rep. Catlin
Analysis of: First Edition

Date: March 10, 2015
Prepared by: Theresa Matula
Committee Staff

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BILL ANALYSIS: House Bill 46 amends G.S. 105-153.5 pertaining to modifications to adjusted gross income, specifically itemized deductions. The bill provides headings for the two current sub-subdivisions and adds a new sub-subdivision (G.S. 105-153.5(a)(2)c) pertaining to a deduction for medical expenses. G.S. 105-153.5(a)(2)c. allows itemized deductions for medical expenses in the amount allowed as a deduction for medical expenses under section 213 of the Internal Revenue Code for that taxable year. The medical expenses incurred must be for a person who has attained the age of 65 before the close of the taxpayer's taxable year.

EFFECTIVE DATE: The act would be effective for taxable years beginning on or after January 1, 2015.

O. Walker Reagan
Director



Research Division
(919) 733-2578



GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: House Bill 46 (First Edition)

SHORT TITLE: Senior Tax Deduction for Medical Expenses.

SPONSOR(S): Representative Catlin

FISCAL IMPACT (\$ in millions)					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
State Impact	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
General Fund Revenues:	(\$37.9)	(\$39.2)	(\$40.7)	(\$42.4)	(\$44.1)
General Fund Expenditures:					
Special Fund Revenues:					
Special Fund Expenditures:					
State Positions:					
NET STATE IMPACT	(\$37.9)	(\$39.2)	(\$40.7)	(\$42.4)	(\$44.1)
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina Department of Revenue					
EFFECTIVE DATE: This act is effective for taxable years beginning on or after January 1, 2015					
TECHNICAL CONSIDERATIONS: None					

BILL SUMMARY:

House Bill 46 amends GS 105-153.5, making clarifying changes to itemized deduction amounts, and enacting the new GS 105-153.5(a)(2)c, providing for a medical expenses itemized individual income tax deduction. It provides that the deduction is for the amount allowed pursuant to Section 213 of the U.S. Internal Revenue Code for medical expenses incurred for a person who is 65 years old or older before the close of the taxpayer's taxable year. The bill is effective beginning on or after January 1, 2015.

ASSUMPTIONS AND METHODOLOGY:

Fiscal Research employs the use of the BearingPoint North Carolina Individual Income Tax Model to estimate the impact of individual income tax law changes. By including unlimited medical expenses, as allowed under the Federal Form 1040 (Schedule A), to the list of allowable North Carolina itemized deductions, the impact would be a \$78.6 Million loss in individual income tax revenue in FY15-16. That amount reflects the impact on all taxpayers.



According to Federal data from the IRS Statistics of Income Report for Tax Year 2012, the most recent report available, 45.5% of allowable medical expenses from itemizers are attributable to those taxpayers 65 and over. For FY15-16, this amounts to a \$35.8 Million loss.

In addition, the bill language includes any allowable medical expenses for those 65 and over, which can include dependents living in the household of a taxpayer below 65 years of age. Federal IRS Statistics of Income data shows 5.0% of all exemptions, for taxpayers less than 65 years of age, are for a dependent parent or other dependent that's not a child. That would yield approximately \$2.1 Million in lost tax revenue for FY15-16.

This results in a total estimated loss from individual income tax revenue at \$37.9 Million for FY15-16.

SOURCES OF DATA: BearingPoint North Carolina Individual Income Tax Model, IRS Statistics of Information Report, Moody's Analytics

TECHNICAL CONSIDERATIONS: NONE

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Brian Slivka

APPROVED BY:

Mark Trogdon, Director
Fiscal Research Division

DATE: February 9, 2015



Signed Copy Located in the NCGA Principal Clerk's Offices



Older Adults In North Carolina

Presentation to the House Committee on Aging

March 25, 2015

**Suzanne Merrill, Director
NC Division of Aging and Adult Services**



Presentation Overview

Demographics

Portrait of Older Adults in North Carolina

Programs and Services

Challenges/Issues on the Horizon

Demographics

NC Aging Profile

<http://www.ncdhhs.gov/aging/cprofile/2013Profile.pdf>

County Profiles

<http://www.ncdhhs.gov/aging/cprofile/cprofile.htm>

3

How Does North Carolina Rank Nationally?

9th Total Population

9th Population 60/65+

11th Population 85+

4

Current and Projected Growth of Those 60 and Older

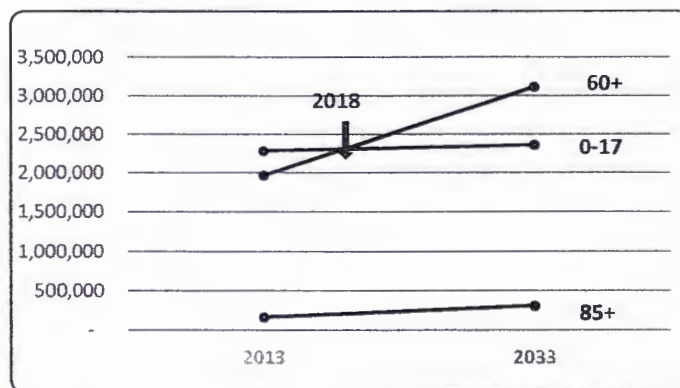
Ages			2033		Percent of Change 2013-2033
			Number (#)	Percent (%)	
Total	9,861,952		11,856,858		20.2%
60+	1,969,351	20.0%	3,117,795	26.3%	58.3%
65+	1,402,321	14.2%	2,411,960	20.3%	72.0%
85+	164,848	1.7%	309,807	2.6%	87.9%
Baby Boomers	2,357,514	23.9%	1,722,795	14.5%	

Baby Boomers: 2013 (ages 49-67)
2033 (ages 69-87)

Source: NC State Data Center, 10/1/2014

5

By 2018, the State Will Have More People 60+ Than Ages 0-17



Source: NC State Data Center, 10/1/2014

6

Growth of Population 65 and Older 2013-2033

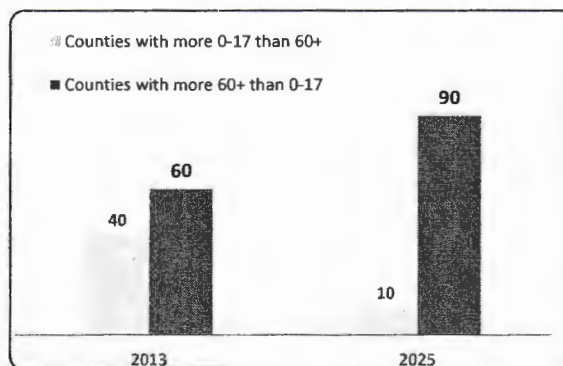
Age groups	65-74	75-84	85+
Growth (2013-2033)	54%	102%	88%

- Of the population 65 and over, age group 75-84 will grow more rapidly in the next 2 decades. Beyond 2030 the growth will shift to the ages 85 and over, as the baby boomer population moves into this age group.
- However, 41 counties in the state are already projected to have more growth in 85 and over, in the next 2 decades.

Source: NC State Data Center, 10/1/2014

7

Number of Counties With More People 60 and Over than 0-17 Will Increase

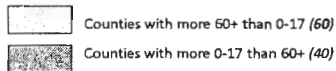
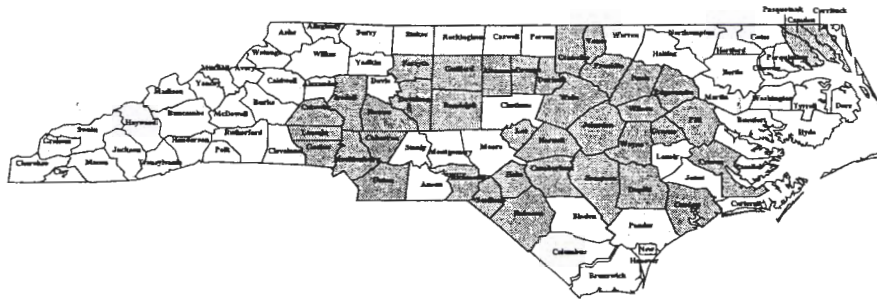


*By 2033, 96 counties will have more people 60+ than 0-17. The four counties with more people 0-17 are (Cumberland, Harnett, Hoke, Onslow)

Source: NC State Data Center, 10/1/2014

8

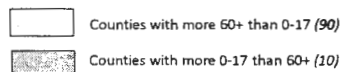
Counties With More People 60+ Than 0-17, 2013



Source: NC State Data Center, 10/1/2014

9

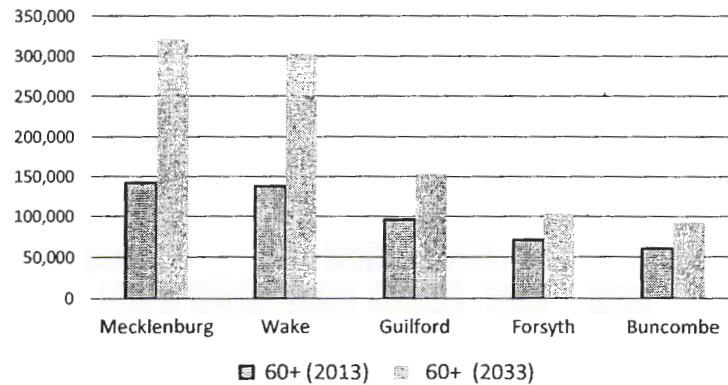
Counties With More People 60+ Than 0-17, 2025



Source: NC State Data Center, 10/1/2014

10

Top 5 Counties in the State With People 60 and Over



Source: NC State Data Center, 10/1/2014

11

Number of New People 60 and Older Who Migrated to North Carolina, 2013

	60 and over
North Carolina	33,046
Wake	3,350
Mecklenburg	2,847
Brunswick	1,964
Henderson	1,728
Buncombe	1,548

* Includes people 60+ who moved from other states and abroad

Source: American Community Survey 2013, 1 year estimate. Table B07001: GEOGRAPHICAL MOBILITY IN THE PAST YEAR BY AGE FOR CURRENT RESIDENCE

12

Portrait of Older Adults in North Carolina

13

Gender and Age: Proportionately More Women Live To Older Age 2013

Age 65+



Age 85+



Source: NC State Data Center, 10/1/2014

14

Race, Age 65 and Over

White	81.6%
Black or African American	15.8%
American Indian and Alaska Native	0.8%
Asian	0.8%
Other	1%

Source: ACS 2009-2013, Table S0103

15

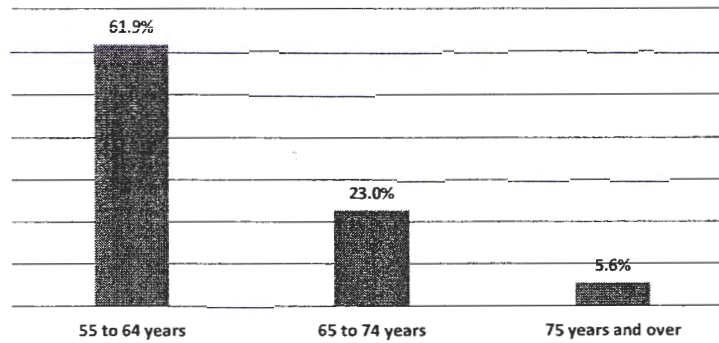
Education, 65 and Over

Less than high school graduate	24.0%
High school graduate, GED, or alternative	32.3%
Some college or associate's degree	23.1%
Bachelor's degree or higher	20.0%

Source: American Community Survey 2009-2013, Table S0103

16

In Labor Force by Age Group, 2013



Source: American Community Survey 2009-2013, Table B23001

17

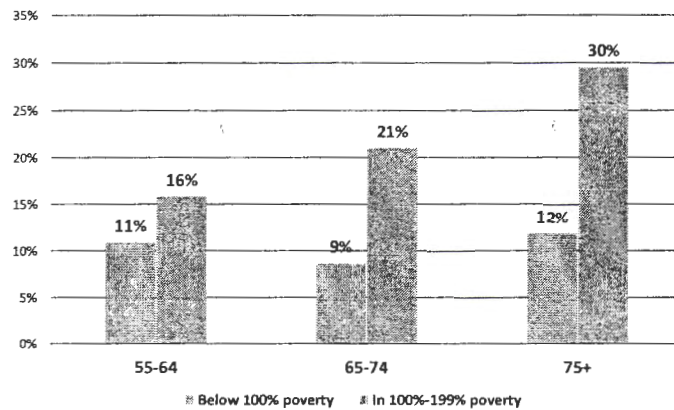
Percentage Distribution of Sources of Income for Persons Age 65 and Over

<u>Social Security Income</u>	<u>93.3%</u>
Retirement Income	48.1%
Earnings	33.1%
Food Stamp/SNAP benefits	9.3%
Supplemental Security Income	5.5%
Cash Public Assistance Income	1.3%

Source: American Community Survey 2009-2013, Table S0103

18

Poverty Rate Increases In Older Age



Source: American Community Survey 2009-2013. Table B17024

19

Programs and Services

20

Long-Term Services and Supports Menu

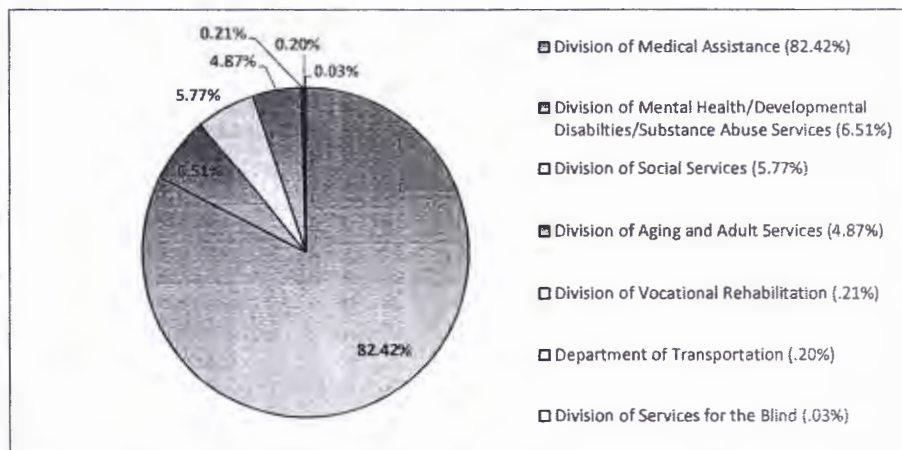
In-Home Community Institutional

Information and Options Counseling			
Family Caregiver Support/Respite Care			
Transportation			
Adult Guardianship			
Adult Protective Services			
Assistive Technology/Medical Equipment			
Hospice			
Home Health/Visiting Nurse			
In-Home Aide/Personal Care Services			
Private Duty Nursing			
Home Delivered Meals			
Home Modification/Repair			
Medical/Mental Health/Dental/Vision Clinics			
Congregate Nutrition			
Multi-Purpose Senior Centers			
Adult Day Care/Day Health Services			
Adult Care Home/Assisted Living			
Nursing Facilities			
State/Private Mental Hospitals			

A glossary of terms is available at <http://www.ncdhhs.gov/aging/glossary.htm>

21

Reported Expenditures for Services by Agency for 60+, SFY 2013-2014



*Figures are reported to DAAS annually by each agency. The full report is available at <http://www.ncdhhs.gov/aging/expenddata.htm>

22

Reported Expenditures for Services to 60+, SFY 2013-14

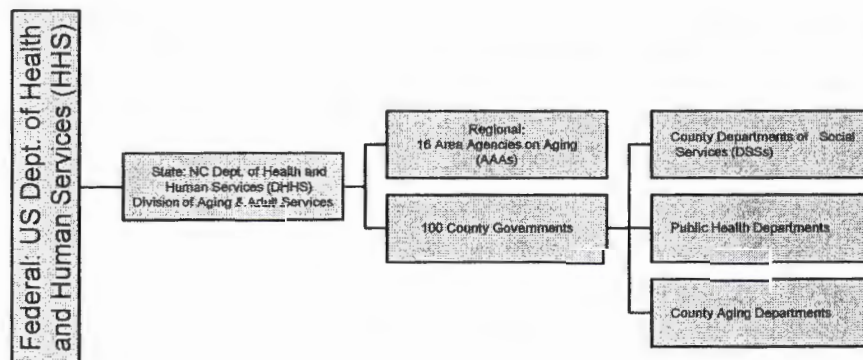
Agency	Total	Percent
Division of Medical Assistance	\$3,086,969,717.00	82.42%
Division of Mental Health/Developmental Disabilities/Substance Abuse Services	\$243,969,240.00	6.51%
Division of Social Services	\$215,979,596.00	5.77%
Division of Aging and Adult Services	\$182,249,807.00	4.87%
Division of Vocational Rehabilitation	\$7,794,055.00	0.21%
Department of Transportation	\$7,476,870.00	0.20%
Division of Services for the Blind	\$1,144,459.00	0.03%
Total	\$3,745,583,744.00	100.00%

*These figures do not include Medicare costs.

Medicare is the federal health insurance program for people who are 65 or older, certain younger people with disabilities, and people with End-Stage Renal Disease

23

Service Delivery System Government Agencies and Levels

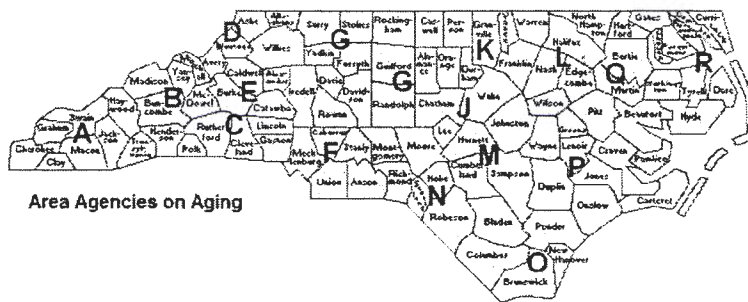


24

North Carolina's Aging Network

Located in the regional Councils of Government. AAAs have functions in five basic areas:

(1) advocacy; (2) planning; (3) program and resource development; (4) information brokerage; and (5) funds administration and quality assurance.



Area Agencies on Aging

16 Regional Area Agencies on Aging

Over 400 Local Aging Services Providers

25

Overview of Home and Community Care Block Grant (HCCBG)

- General Assembly established HCCBG in July 1992
- Combined federal Older Americans Act, federal Social Services Block Grant, and relevant State Appropriations
- Gave counties greater discretion and authority in determining services, service levels, and providers through a local planning process
- Counties select among 18 eligible services
- Priority given to Adult Protective Services and those at-risk of institutionalization

26

Available Home and Community Care Block Grant (HCCBG) Services

Adult Day Care	Health Screening	Mental Health Counseling
Adult Day Health Care	Home Delivered Meals	Senior Center Operations
Care Management	Housing & Home Improvement	Senior Companion
Congregate Nutrition	Information and Options Counseling	Skilled Home Health Care
Group Respite	In-Home Aide (levels I-IV)	Transportation
Health Promotion	Institutional Respite Care	Volunteer Program Development

27

HCCBG Services, Expenditures and Clients Served in SFY 2014

Service	Amount*	% of Total	Clients Served
In-Home Aide	\$ 18,891,079	29.10%	7,038
Home Delivered Meals	\$ 14,621,206	22.52%	17,134
Congregate Nutrition	\$ 10,681,253	16.45%	24,900
Transportation	\$ 6,977,990	10.75%	9,958
Senior Center Operations	\$ 4,938,446	7.61%	**
Adult Day Health	\$ 2,557,985	3.94%	831
Information and Assistance	\$ 2,361,138	3.64%	**
Adult Day Care	\$ 1,535,735	2.37%	522
Housing and Home Improvement	\$ 858,535	1.32%	1,777
Care Management	\$ 846,392	1.30%	164
Institutional Respite	\$ 332,259	0.51%	134
Senior Companion	\$ 163,114	0.25%	71
Group Respite	\$ 64,597	0.10%	45
Health Promotion	\$ 60,925	0.09%	**
Skilled Home (Health) Care	\$ 27,661	0.04%	8
Mental Health Counseling	\$ 300	0.00%	2
Health Screening	\$ -		**
Total HCCBG	\$ 64,918,615	100.00%	62,582

* Includes OAA, SSBG, State Funds and Local Match

** Expenditures represent total cost of service and is not tracked at the client level

28

Home and Community Care Block Grant Waiting List – February 2015

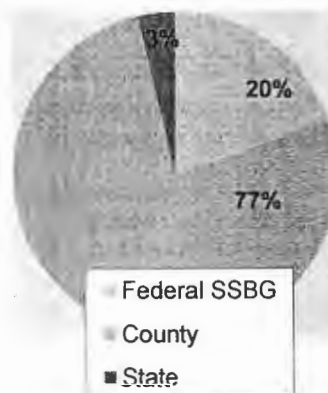
SERVICE	TOTAL WAITING
IN-HOME AIDE	4,213
HOME DELIVERED MEALS	2,575
HOUSING AND HOME IMPROVEMENT	646
TRANSPORTATION	385
CONGREGATE NUTRITION	262
ADULT DAY CARE	225
CARE MANAGEMENT	66
ADULT DAY HEALTH	49
RESPIRE, GROUP	31
SENIOR COMPANION	6
RESPIRE, INSTITUTION	1
TOTAL:	8,459

29

North Carolina Adult Protective Services Provided by County Departments of Social Services

Total Expenditures for SFY 2014
\$18,579,807

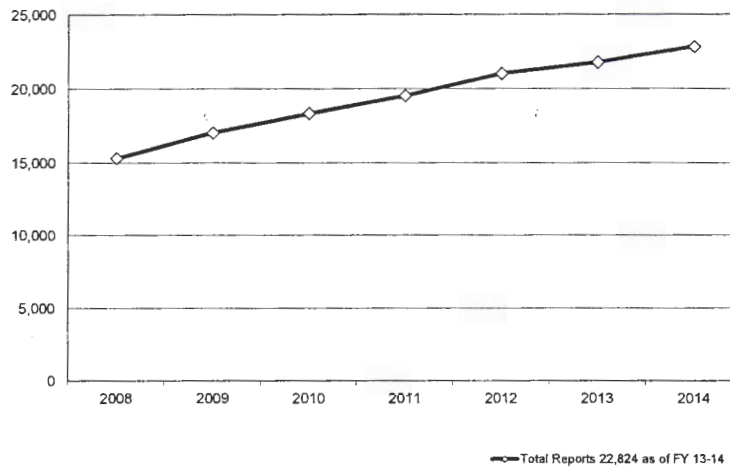
Number of APS reports
received SFY 2014
22,824



Data Source: NC APS Register and DHHS Office of the Controller

30

Adult Protective Services Reports 2008-2014



Source: Division of Aging and Adult Services Annual Adult Protective Services Survey

31

North Carolina Public Guardianship Services Provided by County Departments of Social Services and Corporations

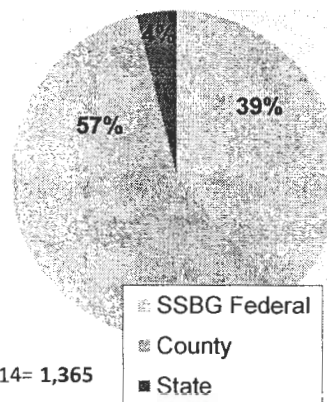
Total Expenditures for SFY

2014 \$17,956,187

*(includes County DSS and Corporations
Corporation Expenditures = \$3,188,861)*

Number of wards served by a
DSS Director as Guardian
during SFY 2014= **4,328**

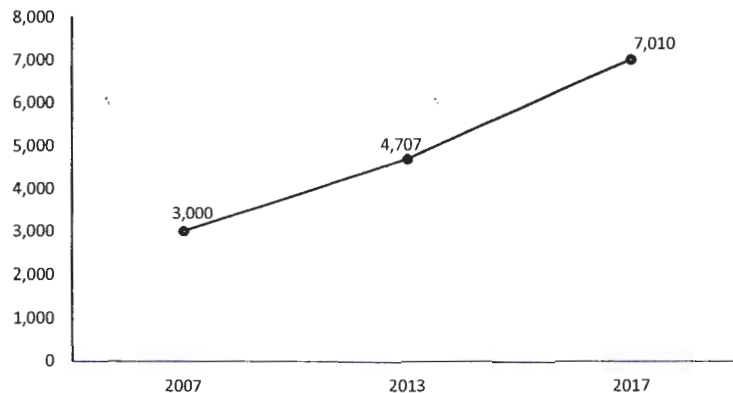
Number of wards served by a
corporation under contract with
Division of Aging and Adult Services during SFY 2014= **1,365**



Data Source: DHHS Client Services Data Warehouse and DHHS Office of the Controller

32

North Carolina Public Guardianship Services Total Number of Wards Served by Year



Source: Division of Aging and Adult Services Guardianship Database

33

How to Access Services and Supports?

Regional Area Agencies on Aging

<http://www.ncdhhs.gov/aging/aaa.htm>

County Departments of Social Services

<http://www.ncdhhs.gov/dss/local/>

Aging Services Directory

<http://www.ncdhhs.gov/aging/services/svcdir.pdf>

34

Challenges/Issues on the Horizon

35

NC's Challenges

- Adequate public funding to meet the current and future needs of older adults
 - Reduction of nearly \$2 million (about 3.5% of current overall HCCBG funding) with the federal sequestration of OAA funds in SFY 12-13.
 - Implementation of a recurring reduction of \$969,549 in the HCCBG effective July 1, 2014.
 - Older Americans Act due for reauthorization since 2011; up for reauthorization now in S.192; will overall appropriation be increased to adequately fund our nation's needs for services for older adults.

36

NC's Challenges (continued)

- Adequate supply of home and community based services to prevent or delay more costly institutional placements.
- Waiting lists for HCCBS services. Approximately 80% of those currently on the wait list are waiting for In-Home Aide Services or Home Delivered Meals.

37

What's on the Horizon....

- Potential Reauthorization of Older Americans Act
- Outcome of July 2015 White House Conference on Aging to Set a Course for Aging for the Next Decade.
- Submitted the NC 2015-2019 State Aging Plan to General Assembly on March 1, 2015; NC's New Roadmap for Aging for the Next Four Years.

38

Questions and Discussion

Contact Information

Suzanne Merrill

Suzanne.Merrill@dhhs.nc.gov

919-855-3460

<http://www.ncdhhs.gov/aging>

39

Wednesday, March 25
AGING

Room
423

Time
11:00 am

Name	County	Sponsor
Evan King	Wake	Darren G. Jackson
David Kostenberger	Wake	Chris Malone
Bella DeVivo	Wake	Rob Bryan



Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Aging

DATE: 3/25/15

Room: 423

House Sgt-At Arms:

1. Name: Rey Cooke

2. Name: Charles Godwin

3. Name: Chris McCracken

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____



VISITOR REGISTRATION SHEET

House Committee on Aging

3/25/15

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Roger Younts	House staff
CADY THUMMS	FORCES Carolina
Isabel Villa Garcia	NCAR
Katie Glass	Social work student - UNC CH
Carol Wise	^{Student} UNC - Chapel Hill - School of Social Work
Dawn Lampman	MSW student - UNC-CH
SINDY E. BROADBARK	NCCRA
Ken Melton	K. M. A.
David Kolbacker	NC Board of Nursing
Amanda Houser	Troutman Sanders
Benjamin Gaddett	Mars Hill University



VISITOR REGISTRATION SHEET

House Committee on Aging

Name of Committee

3/25/15

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Michael Ferguson

VN ce

Heather Barnett

UNC Charlotte School of Social Work-MSW

Madehni Serpa

UNC-Chapel Hill - School of Social Work ^{MSW}

Emma Sheedy

UNC-Charlotte School of Social Work



VISITOR REGISTRATION SHEET

House Committee on Aging

Name of Committee

3/25/15

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

John Bates

Mars Hill University

Laura
MORRISON

UNC CHAPEL HILL school of
social work

Chuck Stone

SEAN

Annaliese Dolph

PL

Caryl Brown

DRAC



House Committee on Aging
Wednesday, April 22, 2015 at 11:00 AM
Room 423 of the Legislative Office Building

MINUTES

The House Committee on Aging met at 11:00 AM on April 22, 2015 in Room 423 of the Legislative Office Building. Representatives Hurley, Turner, Cunningham, Farmer-Butterfield, Jordan, Lambeth, Meyer, Pittman, and Warren attended.

Representative Pat B. Hurley, Chair, presided and called the meeting to order at 11:07 AM.

Chair Hurley introduced the Sergeants at Arms and Pages.

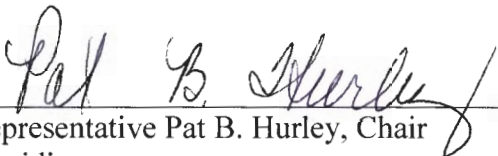
Chair Hurley recognized Representative Blackwell to discuss HB 703.

HB 703 Cont. Task Force/Fraud Against Older Adults. (Representatives Blackwell, Hurley, Earle)

Christy Agner with the Department of Justice spoke on the bill. There was a time for questions and answers from the committee members.

Representative Warren moved for a favorable report. The motion carried and the bill passed.

The meeting adjourned at 11:30 AM.



Representative Pat B. Hurley, Chair
Presiding



Debbie Holder, Committee Clerk



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

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

DAY & DATE: Wednesday, April 22, 2015
TIME: 11:00 AM
LOCATION: 423 LOB
COMMENTS: Representative Hurley Chairing

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 703	Cont. Task Force/Fraud Against Older Adults.	Representative Blackwell Representative Hurley Representative Earle

Respectfully,

Representative Pat B. Hurley, Co-Chair
Representative Rena W. Turner, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 7:38 AM on Monday, April 20, 2015.

____ Principal Clerk
____ Reading Clerk – House Chamber

Deborah Holder (Committee Assistant)



House Committee on Aging
Wednesday, April 22, 2015, 11:00 AM
423 LOB

AGENDA

Welcome and Opening Remarks by Chair Hurley

Introduction of Pages and Sergeant at Arms

Bills:

BILL NO.	SHORT TITLE	SPONSOR
HB 703	Cont. Task Force/Fraud Against Older Adults	Blackwell, Hurley, Earle

Other Business

Adjournment



**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**AGING COMMITTEE REPORT
Representative Pat B. Hurley, Co-Chair
Representative Rena W. Turner, Co-Chair**

FAVORABLE

HB 703

Cont. Task Force/Fraud Against Older Adults.

Draft Number:	None
Serial Referral:	None
Recommended Referral:	None
Long Title Amended:	No
Floor Manager:	Blackwell

TOTAL REPORTED: 1



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GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H

1

HOUSE BILL 703

Short Title: Cont. Task Force/Fraud Against Older Adults. (Public)

Sponsors: Representatives Blackwell, Hurley, and Earle (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Aging.

April 15, 2015

A BILL TO BE ENTITLED

AN ACT TO CONTINUE THE TASK FORCE ON FRAUD AGAINST OLDER ADULTS.

The General Assembly of North Carolina enacts:

SECTION 1. Section 1(c) of S.L. 2011-189, as amended by Section 5(a) of S.L. 2013-337, reads as rewritten:

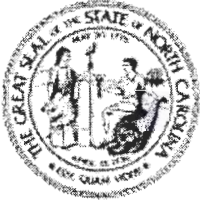
"**SECTION 1.(c)** The Task Force shall make a report to the North Carolina Study Commission on Aging on or before November 1, 2011, and a report including findings, recommendations, and draft legislation to the Joint Legislative Oversight Committee on Health and Human Services on or before February 1, 2013. The Task Force shall report to the Joint Legislative Oversight Committee on Health and Human Services prior to the 2014 Regular Session of the 2013 General Assembly on the efficacy of any of the Task Force's recommendations that are adopted. The Task Force shall terminate on ~~May 1, 2015, or upon the filing of its final report, whichever occurs first.~~ June 30, 2017."

SECTION 2. This act is effective when it becomes law.



★ H 7 0 3 - V - 1 ★





HOUSE BILL 703: Cont. Task Force/Fraud Against Older Adults

2015-2016 General Assembly

Committee:	House Aging	Date:	April 21, 2015
Introduced by:	Reps. Blackwell, Hurley, Earle	Prepared by:	Theresa Matula
Analysis of:	First Edition		Committee Staff

SUMMARY: *House Bill 703 extends the Task Force on Fraud Against Older Adults to June 30, 2017.*

CURRENT LAW/BACKGROUND:

S.L. 2011-189, Senate Bill 449 from the 2011 Session, was a recommendation by the NC Study Commission on Aging, based on research and recommendations by the NC Center for Public Policy Research (NCCPPR) and a January 13, 2011, presentation by its director, Ran Coble. The NCCPPR made four recommendations aimed at preventing and reducing fraud committed against older adults. In response, the Commission on Aging recommended a Task Force to research the issues, report findings and recommendations, and draft legislation. Initially the Task Force was required to make an interim report on or before November 1, 2011 and a final report on or before October 1, 2012.

S.L. 2013-337, Senate Bill 140 from the 2013 Session, enacted Task Force recommendations on preventing exploitation and protecting older and disabled adults, extended reporting dates for the Task Force, and extended the date that the Task Force expires to May 1, 2015, or upon the filing of its final report, whichever occurs first.

BILL ANALYSIS:

House Bill 703 extends the termination date for the Task Force on Fraud Against Older Adults. The bill extends the date from "May 1, 2015, or upon the filing of its final report, whichever occurs first" to "June 30, 2017."

EFFECTIVE DATE: This bill would become effective when it becomes law.

O. Walker Reagan
Director



★ H 7 0 3 - S M S H - 3 7 E 1 - V 3 ★

Research Division
(919) 733-2578



Wednesday, April 22
AGING

Room
423

Time
11:00 am

Name	County	Sponsor
Jacob Johnson	Haywood	Joe Sam Queen
Ethan Mastin	Surry	Sarah Stevens



Committee Sergeants at Arms

NAME OF COMMITTEE House Comm. on Aging

DATE: 4/22/2015

Room: 423

House Sgt-At Arms:

1. Name: Charles Godwin

2. Name: Rey Cooke

3. Name: Dean Marshbourne

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____





House Committee on Aging

Name of Committee

Date _____

NAME _____

FIRM OR AGENCY AND ADDRESS

Kay Castillo

NASW-NC

Courtney Coyle

NASW-NC

Emelyn Hawthorne

EHGR



ATTENDANCE
HOUSE COMMITTEE ON AGRICULTURE

HOUSE COMMITTEE ON AGRICULTURE

[illegible]

(Name of Committee)

[illegible]



Date: 23 June 16

Bill Number _____

PCS 577D

Motion to be before the committee by Rep. Bradford

~~Rep. Sen. Brent Jackson~~ explained the bill.

Discussion on the Bill YES or NO

* Rep. J. Bell motioned for:

_____ Favorable Report

_____ Adoption

_____ Unfavorable Report

☒ Unfavorable to original bill, fav to PCS

_____ No vote

Amendments: : _____

Serial referral to: _____

Speakers:

Handouts:

* Motion rescinded by the maker.
Meeting for June 28, 2016 scheduled
to resolve matters in contention



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S

D

SENATE BILL 770

Agriculture/Environment/Natural Resources Committee Substitute Adopted 5/25/16

Judiciary II Committee Substitute Adopted 5/26/16

Finance Committee Substitute Adopted 6/15/16

Fifth Edition Engrossed 6/20/16

PROPOSED HOUSE COMMITTEE SUBSTITUTE S770-CSTQxf-56 [v.2]

06/27/2016 04:59:22 PM

Short Title: NC Farm Act of 2016.

(Public)

Sponsors:

Referred to:

April 28, 2016

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE AGRICULTURAL
COMMUNITY.

The General Assembly of North Carolina enacts:

**PROVIDE THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
WITH ENFORCEMENT AUTHORITY FOR THE PROGRAM GOVERNING BEDDING
IMPROPERLY MADE, SANITIZED, OR TAGGED**

SECTION 1.(a) Article 4H of Chapter 106 of the General Statutes is amended by
adding five new sections to read:

**"§ 106-65.105A. Detention or embargo of product or item suspected of being adulterated or
misbranded.**

(a) If an authorized agent of the Department of Agriculture and Consumer Services finds
or has probable cause to believe that any bedding, secondhand bedding, material, or other item
regulated under this Article is unsanitary, mislabeled, unsafe for its intended use, a danger to the
public, or is otherwise in violation of the requirements of this Article, the agent may affix to the
item a tag or other appropriate marking giving notice that the item has been detained or embargoed
with information identifying the violation(s). It shall be a violation of this Article for any person to
remove or alter a tag authorized by this subsection, or to remove or dispose of a detained or
embargoed item by sale or otherwise, without such permission, and the tag or marking shall
include a warning to that effect.

(b) When an item is detained or embargoed under subsection (a) of this section, an
authorized agent of the Department of Agriculture and Consumer Services may petition a judge of
the district or superior court in whose jurisdiction the item is detained or embargoed for an order
for condemnation of the item. When an authorized agent has found that an item detained or
embargoed is not unsanitary, mislabeled, unsafe for its intended use, a danger to the public, or
otherwise in violation of the requirements of this Article, the agent shall remove the tag or other
marking.

(c) If the court finds that a detained or embargoed item is unsanitary, mislabeled, or
contains toxic materials, the item shall, after entry of the decree, be destroyed at the expense of the
item's claimant, under the supervision of an authorized agent of the Department of Agriculture and
Consumer Services; and all court costs and fees, storage, and other proper expenses shall be levied



1 against the claimant of the item or the claimant's agent; provided, that when the unsanitary
2 condition, mislabeling, safety concerns, or other violation can be corrected by proper labeling or
3 processing of the item, the court, after entry of the decree and after costs, fees, and expenses have
4 been paid and a good and sufficient bond, conditioned that the item shall be properly labeled or
5 processed, has been executed, may by order direct that the item be delivered to the item's claimant
6 for proper labeling or processing under the supervision of an agent of the Department of
7 Agriculture and Consumer Services. The expense of the Department's supervision shall be paid by
8 the claimant. The amount of any bond paid shall be returned to the claimant of the item on
9 representation to the court by the Department of Agriculture and Consumer Services that the item
10 is no longer in violation of this Article and that the expenses of the Department's supervision have
11 been paid.

12 **"§ 106-65.105B. Injunctions restraining violations.**

13 In addition to any other remedies provided by this Article, the Commissioner is authorized to
14 apply to the superior court for, and the court shall have jurisdiction upon hearing and for cause
15 shown to grant, a temporary or permanent injunction restraining any person from violating any
16 provision of this Article or any rule promulgated thereunder, irrespective of whether or not there
17 exists an adequate remedy at law.

18 **"§ 106-65.105C. Civil penalties.**

19 (a) The Commissioner may assess a civil penalty of not more than two thousand five
20 hundred dollars (\$2,500) per violation against any person, firm, or corporation that violates or
21 directly causes a violation of any provision of this Article, rules, regulations, or standards
22 promulgated thereunder, or lawful order of the Commissioner. In addition, if any person continues
23 to violate or further violates any provision of this Article after written notice from the
24 Commissioner, the Commissioner may determine that each day during which the violation
25 continued or is repeated constitutes a separate violation subject to additional civil penalties. In
26 determining the amount of the penalty, the Commissioner shall consider the degree and extent of
27 harm caused or potentially caused by the violation.

28 (b) Prior to assessing a civil penalty, the Commissioner shall give the person written notice
29 of the violation and a reasonable period of time in which to correct the violation. However, the
30 Commissioner shall not be required to give a person time to correct a violation before assessing a
31 penalty if the Commissioner determines the violation has the potential to cause physical injury or
32 illness.

33 (c) The Commissioner may consider the training and management practices implemented
34 by the person, firm, or corporation for the purpose of complying with this Article as a mitigating
35 factor when determining the amount of the civil penalty.

36 (d) The Commissioner shall remit the clear proceeds of civil penalties assessed pursuant to
37 this section to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

38 **"§ 106-65.105D. Violation a misdemeanor.**

39 (a) Except as otherwise provided, any person, firm, or corporation that violates any of the
40 provisions of this Article, or any of the rules, regulations, or standards promulgated hereunder,
41 shall be deemed guilty of a Class 2 misdemeanor.

42 (b) Any person, firm, or corporation that provides the Commissioner or a duly authorized
43 agent of the Commissioner with false or misleading information in relation to a license application
44 or renewal, inspection, or investigation authorized by this Article shall be deemed guilty of a Class
45 2 misdemeanor.

46 (c) Any person, firm, or corporation that alters or removes a tag indicating that an item has
47 been detained or embargoed pursuant to G.S. 106-65.105A(a) without first receiving permission
48 from the court or a duly authorized agent under this Article shall be deemed guilty of a Class 2
49 misdemeanor.

(d) Any person, firm, or corporation that removes or disposes of any item detained or embargoed under G.S. 106-65.105A(a) without first receiving permission from the court or a duly authorized agent under this Article shall be deemed guilty of a Class 2 misdemeanor.

(e) Any person who willfully resists, opposes, impedes, intimidates, or interferes with any duly authorized agent while engaged in or on account of the performance of the duly authorized agent's official duties under this Article shall be guilty of a Class 2 misdemeanor. Whoever, in the commission of any such acts, uses a deadly weapon shall be guilty of a Class 1 misdemeanor.

(f) If any person continues to violate or further violates any provision of this Article after receiving written notice from the Commissioner, the court may determine that each day during which the violation continued or is repeated constitutes a separate violation.

"§ 106-65.105E. Report of minor violations in discretion of Commissioner.

Nothing in this Article shall be construed to require the Commissioner to initiate, or attempt to initiate, any criminal or administrative proceedings under this Article for minor violations of this Article whenever the Commissioner believes that the public interest will be adequately served in the circumstances by a suitable written notice or warning."

SECTION 1.(b) This section becomes effective December 1, 2016, and applies to offenses committed on or after that date.

AUTHORIZE THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO APPOINT AND DEPLOY AGRICULTURAL EMERGENCY RESPONSE TEAMS IN AGRICULTURAL EMERGENCIES

SECTION 2.(a) Chapter 106 of the General Statutes is amended by adding a new Article to read:

"Article 85.

"Agricultural Emergency Response Act.

"§ 106-1033. Short title.

This Article shall be known as the "Agricultural Emergency Response Act."

"§ 106-1034. Statement of purpose and authorization.

The North Carolina Department of Agriculture and Consumer Services is authorized to aid and assist agricultural operations and landowners in the preparedness for, response to, and recovery from agricultural emergencies. This authorization is given separate and apart from the authorities authorized by Chapter 166A of the General Statutes and shall not require declaration of a state of emergency pursuant to G.S. 166A-19.20 for its implementation. In the event of a state of emergency declaration and where this Article is inconsistent with the provisions of Chapter 166A of the General Statutes, the provisions of Chapter 166A of the General Statutes shall control as to the areas covered under the declaration. The Board of Agriculture may adopt rules necessary for the implementation and administration of this Article.

"§ 106-1035. Definitions.

For purposes of this Article, the following definitions apply:

- (1) "Agricultural emergency" means an emergency, as defined in G.S. 166A-19.3, that results in exposure of or damage to pre- or post-harvest of plants, livestock, feed, water resources, or infrastructure which adversely affects one or more members of the agricultural community and the economic viability of the agriculture industry within the State.
- (2) "Agricultural Emergency Response Team" means employees of the North Carolina Department of Agriculture and Consumer Services who have been designated by the Commissioner to respond to agricultural emergencies, as authorized by G.S. 106-1036, and any personnel operating under agreement with the Department as a contracted service, including, but not limited to, private companies and units of local government.
- (3) "Commissioner" means the Commissioner of Agriculture.

(4) "Department" means the North Carolina Department of Agriculture and Consumer Services.

"§ 106-1036. Agricultural Emergency Response Teams authorized.

When the Commissioner determines, in consultation with the Governor, that there is an imminent threat of an agricultural emergency or that an agricultural emergency exists within the State that threatens to cause damage to or has caused damage to agricultural lands, facilities, and operations, the Commissioner is authorized to deploy Agricultural Emergency Response Teams to aid in prevention measures and recovery efforts on the premises of agricultural landowners throughout the State, wherever located.

"§ 106-1037. Immunity and liability.

All functions authorized by this Article and all other activities relating to agricultural emergencies are hereby declared to be governmental functions. Neither the State nor any political subdivision thereof, nor, except in cases of willful misconduct, gross negligence, or bad faith, any Agricultural Emergency Response Team worker, firm, partnership, association, or corporation complying with or reasonably attempting to comply with this Article or any order, rule, or regulation promulgated pursuant to the provisions of this Article, shall be liable for the death of or injury to persons or for damage to property as a result of any such activity.

"§ 106-1038. No private liability.

Any person, firm, or corporation, together with any successors in interest, if any, owning or controlling real or personal property who, voluntarily or involuntarily, knowingly or unknowingly, with or without compensation, grants a license or privilege or otherwise permits or allows the designation or use of the whole or any part or parts of such real or personal property for the purpose of activities or functions relating to agricultural emergency response as provided for in this Article or elsewhere in the General Statutes shall not be civilly liable for the death of or injury to any person or the loss of or damage to the property of any persons where such death, injury, loss, or damage resulted from, through, or because of the use of the said real or personal property for any of the above purposes, provided that the use of said property is subject to the order or control of or pursuant to a request under the authority of this Article.

"§ 106-1039. Funding for agricultural emergency response.

In order to fully execute the authorities prescribed in this Article, the North Carolina Department of Agriculture may, at the discretion of the Commissioner, use any funds available to the Department which have been allocated by the General Assembly from the General Fund of the State, use of which is not otherwise restricted by law.

"§ 106-1040. Nondiscrimination in agricultural emergency response.

State and local governmental bodies and other organizations and personnel who carry out functions under the provisions of this Article shall do so in an equitable and impartial manner. Such State and local governmental bodies, organizations, and personnel shall not discriminate on the grounds of race, color, religion, nationality, sex, age, or economic status in the relief and assistance activities."

SECTION 2.(b) Article 1 of Chapter 166A of the General Statutes is amended by adding a new section to read:

"§ 166A-19.77A. Agricultural Emergency Response Teams authorized.

The Department of Agriculture and Consumer Services is designated as an emergency response agency for purposes of the following:

- (1) Deploying Agricultural Emergency Response Teams, as that term is defined in G.S. 106-1035, to respond to agriculture-related incidents.
- (2) Receipt of any applicable State or federal funding.
- (3) Training of other State and local agencies in agricultural emergency response.
- (4) Any other emergency response roles for which Agricultural Emergency Response Teams have special training or qualifications."

SECTION 2.(c) This section is effective when it becomes law.

ALLOW WILDLIFE MANAGEMENT AGENCIES TO CULL FERAL SWINE FROM AIRCRAFT

SECTION 3. Article 22 of Chapter 113 of the General Statutes is amended by adding a new section to read:

"§ 113-299. Aerial management of feral swine.

Notwithstanding G.S. 113-291.1(b)(1), employees of the Wildlife Resources Commission and employees of federal agencies whose responsibilities include fisheries and wildlife management, in the performance of such employees' official duties, may cull feral swine from aircraft, with the written permission of the landowner. However, no such activity shall occur in coastal counties, as defined in G.S. 113A-103(2) during waterfowl season."

DIRECT DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO INSPECT RENDERING PLANTS

SECTION 4.(a) G.S. 106-168.5 is repealed.

SECTION 4.(b) G.S. 106-168.6 reads as rewritten:

"§ 106-168.6. ~~Inspection by committee; Inspection; certificate of specific findings.~~

~~The committee upon notification by~~ Upon receipt of an application for license, the Commissioner ~~or the Commissioner's designee~~ shall promptly inspect the plans, specifications, and selected site in the case of proposed rendering plants and shall inspect the buildings, grounds, and equipment of established rendering plants. If the ~~committee~~ Commissioner or the ~~Commissioner's designee~~ finds that the plans, specifications, and selected site in the case of proposed plants, or the buildings, grounds, and equipment in the case of established plants, comply with the requirements of this Article and the rules and regulations promulgated ~~by the Commissioner not inconsistent therewith, it~~ under the authority of this Article, the Commissioner shall certify ~~its the findings in writing and forward same to the Commissioner writing.~~ If there is a failure in any respect to meet such requirements, the ~~committee~~ Commissioner or the ~~Commissioner's designee~~ shall notify the applicant in writing of such deficiencies and ~~the committee shall~~ ~~shall~~, within a reasonable time to be determined by the Commissioner ~~Commissioner~~, make a second inspection. If the specified defects are remedied, the ~~committee~~ Commissioner or the Commissioner's designee shall ~~thereupon~~ certify ~~its the findings in writing to the Commissioner writing.~~ Not more than two inspections shall be required of ~~the committee~~ under any one application."

SECTION 4.(c) G.S. 106-168.7 reads as rewritten:

"§ 106-168.7. Issuance of license.

~~Upon receipt of the certificate of compliance from the committee, certification in accordance with G.S. 105-168.6,~~ the Commissioner shall issue a license to the applicant to conduct rendering operations as specified in the application. A license shall be valid until revoked for cause as hereinafter provided."

SECTION 4.(d) G.S. 106-168.12 reads as rewritten:

"§ 106-168.12. Commissioner authorized to adopt rules and regulations.

The Commissioner of Agriculture is hereby authorized to make and establish reasonable rules and regulations, ~~not inconsistent~~ consistent with the provisions of this Article, ~~after consulting the committee,~~ for the proper administration and enforcement thereof."

SECTION 4.(e) G.S. 106-168.13 reads as rewritten:

"§ 106-168.13. Effect of failure to comply.

Failure to comply with the provisions of this Article or rules and regulations ~~not inconsistent therewith~~ adopted pursuant to this Article shall be cause of revocation of license, if such failure shall not be remedied within a reasonable time after notice to the licensee. Any person whose license is revoked may reapply for a license in the manner provided in this Article for an initial application, except that the Commissioner shall not be required to cause the rendering plant and

1 equipment of the applicant to be inspected by the committee until the expiration of 30 days from
2 the date of revocation."
3

4 **REQUIRE TRAINING FOR APPOINTED AND ELECTED SOIL AND WATER** 5 **DISTRICT SUPERVISORS**

6 **SECTION 5.(a)** G.S. 139-4(d) reads as rewritten:

7 "(d) In addition to the duties and powers hereinafter conferred upon the Soil and Water
8 Conservation Commission, it shall have the following duties and powers:

9 ...

10 (13) To establish a training program required for all district supervisors."

11 **SECTION 5.(b)** Article 1 of Chapter 139 of the General Statutes is amended by
12 adding a new section to read:

13 **"§ 139-7.2. Training of elective and appointive district supervisors.**

14 (a) All district supervisors, whether elected or appointed, shall complete a minimum of six
15 clock hours of training annually.

16 (b) The training shall include soil, water, and natural resources conservation and the duties
17 and responsibilities of district supervisors.

18 (c) The training may be provided by the School of Government at the University of North
19 Carolina at Chapel Hill, or other qualified sources as approved by the Soil and Water
20 Conservation Commission."

21 22 **BOARD OF AGRICULTURE RULE-MAKING AUTHORITY FOR ANIMAL SHELTER** 23 **SUPPORT FUND**

24 **SECTION 6.(a)** G.S. 19A-67 reads as rewritten:

25 **"§ 19A-67. Animal Shelter Support Fund.**

26 (a) Creation. – The Animal Shelter Support Fund is established as a special fund in the
27 Department of Agriculture and Consumer Services. The Fund consists of appropriations by the
28 General Assembly or contributions and grants from public or private sources.

29 (b) Use. – The Fund shall be used by the Animal Welfare Section of the Department of
30 Agriculture and Consumer Services to reimburse local governments for expenses related to their
31 operation of a registered animal shelter due to any of the following:

32 (1) The denial, suspension, or revocation of the shelter's registration.

33 (2) An unforeseen catastrophic disaster at an animal shelter.

34 (c) Rules. – ~~The Animal Welfare Section Board of Agriculture~~ shall issue rules detailing
35 eligible expenses and application guidelines that comply with the requirements of this Article.

36 (d) Reversion. – Any appropriated and unencumbered funds remaining at the end of each
37 fiscal year in excess of two hundred fifty thousand dollars (\$250,000) shall revert to the General
38 Fund."

39 **SECTION 6.(b)** The Board of Agriculture may adopt temporary rules to administer
40 the Animal Shelter Support Fund in accordance with subsection (a) of this section.
41

42 **RULE-MAKING EXEMPTION FOR FOREST MANAGEMENT PLANS**

43 **SECTION 7.(a)** G.S. 150B-1(d) reads as rewritten:

44 **"§ 150B-1. Policy and scope.**

45 ...

46 (d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the
47 following:

48 ...

49 (26) The Board of Agriculture in the Department of Agriculture and Consumer
50 Services with respect to the following:

51 a. Annual admission fees for the State Fair.

b. Operating hours, admission fees, or related activity fees at State forests. The Board shall annually post the admission fee and operating hours schedule on its Web site and provide notice of the schedule, along with a citation to this section, to all persons named on the mailing list maintained pursuant to G.S. 150B-21.2(d).

c. Fee schedules for the preparation of forest management plans developed pursuant to G.S. 106-1004.

...."

SECTION 7.(b) G.S. 106-1004 reads as rewritten:

"§ 106-1004. Fees for forest management plans.

The Board of Agriculture shall establish by rule a schedule of fees for the preparation of forest management plans developed pursuant to this Chapter. The fees established by the Board shall not exceed the amount necessary to offset the costs of the Department of Agriculture and Consumer Services to prepare forest management plans."

ALLOW LOCAL PREFERENCE FOR SCHOOL FOOD PROCUREMENT

SECTION 8. Part 2 of Article 17 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-264.4. Local preference for produce in schools.

A local school board may develop and implement policies and procedures to facilitate and maximize to the extent practicable, purchases of food grown or raised in North Carolina, including, but not limited to, policies that permit a percentage price preference for the purpose of procuring food grown or raised within the State. As used in this section, "price percentage preference" means the percent by which a responsive bid from a responsible bidder whose product is grown or raised in North Carolina may exceed the lowest responsive bid submitted by a responsible bidder whose product is not grown or raised in North Carolina.

ALLOW CHORIONIC GONADOTROPIN INJECTIONS FOR VETERINARY USE

SECTION 9. G.S. 90-91 reads as rewritten:

"§ 90-91. Schedule III controlled substances.

This schedule includes the controlled substances listed or to be listed by whatever official name, common or usual name, chemical name, or trade name designated. In determining that a substance comes within this schedule, the Commission shall find: a potential for abuse less than the substances listed in Schedules I and II; currently accepted medical use in the United States; and abuse may lead to moderate or low physical dependence or high psychological dependence. The following controlled substances are included in this schedule:

...

(k) Anabolic steroids. The term "anabolic steroid" means any drug or hormonal substance, chemically and pharmacologically related to testosterone (other than estrogens, progestins, and corticosteroids) that promotes muscle growth, including, but not limited to, the following:

1. Methandrostenolone,
2. Stanozolol,
3. Ethylestrenol,
4. Nandrolone phenpropionate,
5. Nandrolone decanoate,
6. Testosterone propionate,
7. Chorionic gonadotropin,
8. Boldenone,
9. Chlorotestosterone (4-chlorotestosterone),
10. Clostebol,
11. Dehydrochlormethyltestosterone,

12. Dibydrotestosterone (4-dihydrotestosterone),
13. Drostanolone,
14. Fluoxymesterone,
15. Formebolone (formebolone),
16. Mesterolene,
17. Methandienone,
18. Methandranone,
19. Methandriol,
20. Methenolene,
21. Methyltestosterone,
22. Mibolerone,
23. Nandrolene,
24. Norethandrolene,
25. Oxandrolone,
26. Oxymesterone,
27. Oxymetholone,
28. Stanolone,
29. Testolactone,
30. Testosterone,
31. Trenbolone, and
32. Any salt, ester, or isomer of a drug or substance described or listed in this subsection, if that salt, ester, or isomer promotes muscle growth. Except such term does not include (i) an anabolic steroid which is expressly intended for administration through implants to cattle or other nonhuman species and which has been approved by the Secretary of Health and Human Services for such ~~administration~~ administration or (ii) chorionic gonadotropin when administered by injection for veterinary use by a licensed veterinarian or the veterinarian's designated agent. If any person prescribes, dispenses, or distributes such steroid for human use, such person shall be considered to have prescribed, dispensed, or distributed an anabolic steroid within the meaning of this subsection.

...."

EXTEND SUNSET FOR CONSTRUCTING CERTAIN RENEWABLE FUEL FACILITIES

SECTION 10. G.S. 105-129.16D(b) reads as rewritten:

"§ 105-129.16D. Credit for constructing renewable fuel facilities.

...
(b) Production Credit. – A taxpayer that constructs and places in service in this State a commercial facility for processing renewable fuel is allowed a credit equal to twenty-five percent (25%) of the cost to the taxpayer of constructing and equipping the facility. The entire credit may not be taken for the taxable year in which the facility is placed in service but must be taken in seven equal annual installments beginning with the taxable year in which the facility is placed in service. If, in one of the years in which the installment of a credit accrues, the facility with respect to which the credit was claimed is disposed of or taken out of service, the credit expires and the taxpayer may not take any remaining installment of the credit. The taxpayer may, however, take the portion of an installment that accrued in a previous year and was carried forward to the extent permitted under G.S. 105-129.17.

Notwithstanding subsection (d) of this section, this section is repealed effective for facilities placed in service on or after January 1, ~~2017, 2020~~, in the case of a taxpayer that meets both of the following conditions:

- (1) Signs a letter of commitment with the Department of Commerce on or before September 1, 2013, stating the taxpayer's intent to construct and place into service in this State a commercial facility for processing renewable fuel.
- (2) Begins construction of the facility on or before December 31, 2013."

ESTABLISH VOLUNTARY ASSESSMENT ON DEER FEED

SECTION 11. Chapter 106 of the General Statutes is amended by adding a new Article to read:

"Article 86.

"Farmed Cervid Industry Promotion Act.

"§ 106-1041. Title.

This Article shall be known as the Farmed Cervid Industry Promotion Act.

"§ 106-1042. Definitions.

As used in this Article:

- (1) "Association" means the North Carolina Deer and Elk Farmers Association.
- (2) "Cervid" means any member of the Cervidae family.
- (3) "Cervid farmer" means a person who (i) is a North Carolina resident and (ii) holds at least one cervid in captivity subject to a captivity license issued by the Department.
- (4) "Cervid feed" means any commercial feed, as defined in G.S. 106-284.33, labeled or marketed for cervid use.
- (5) "Department" means the Department of Agriculture and Consumer Services.
- (6) "Farmed cervid" means any member of the Cervidae family that is held in captivity and produced, bought, or sold for commercial purposes.

"§ 106-1043. Referendum.

(a) The Association may conduct a referendum among cervid farmers upon the question of whether an assessment shall be levied consistent with this Article.

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

- (1) The amount of the proposed assessment, not to exceed four dollars (\$4.00) per ton of cervid feed.
- (2) The period for which the assessment shall be levied, not to exceed 10 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 cervid farmers are eligible to vote in the referendum. The Association shall send press releases about the referendum to at least 10 daily and 10 weekly or biweekly newspapers having general circulation in a county in the State and to any trade journals deemed appropriate by the Association. Notice of the referendum also shall be posted in every place the Association identifies as selling cervid feed. Any questions concerning eligibility to vote shall be resolved by the board of directors of the Association.

"§ 106-1044. Majority vote required; collection of assessment.

(a) The assessment shall not be collected unless a majority of the votes cast in the referendum are in favor of the assessment. If a majority of the votes cast in the referendum are in favor of the assessment, the Department shall notify all cervid feed manufacturers and distributors of the assessment. The assessment shall apply to all cervid 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 cervid feed on which the assessment has not been paid shall report these purchases and pay the assessment to the Department.

(b) The Association may bring an action to collect unpaid assessments against any feed manufacturer or distributor who fails to pay the assessment.

"§ 106-1045. Use of funds; refunds.

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

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

EXCLUDE CERTAIN MINOR REPAIRS FROM BUILDING PERMIT REQUIREMENTS

SECTION 13.(a) G.S. 143-138 reads as rewritten:

"§ 143-138. North Carolina State Building Code.

...

(b5) Exclusion for Certain Minor Activities in Residential and Farm Structures. – No building-permit shall be required under the Code or any local variance thereof approved under subsection (e) for any construction, installation, repair, replacement, or alteration performed in accordance with the current edition of the North Carolina State Building Code and costing fifteen thousand dollars (\$15,000) or less in any single family residence or farm building unless the work involves: the involves any of the following:

(1) The addition, repair, or replacement of load bearing structures; the structures. However, no permit is required for replacements of windows, doors, exterior siding, or the pickets, railings, stair treads, and decking of porches and exterior decks that otherwise meet the requirements of this subsection.

(2) The addition (excluding replacement of same capacity) or change in the design of plumbing; the plumbing. However, no permit is required for replacements otherwise meeting the requirements of this subsection that do not change size or capacity.

(3) The addition, replacement or change in the design of heating, air conditioning, or electrical wiring, devices, fixtures (excluding repair or replacement of electrical lighting devices and fixtures of the same type), appliances (excluding replacement of water heaters, provided that the energy use rate or thermal input is not greater than that of the water heater which is being replaced, and there is no change in fuel, energy source, location, capacity, or routing or sizing of venting and piping), appliances, or equipment, the equipment.

(4) The use of materials not permitted by the North Carolina Uniform Residential Building Code; or the Residential Code for One- and Two-Family Dwellings.

(5) The addition (excluding replacement of like grade of fire resistance) of roofing.

The exclusions from building permit requirements set forth in this paragraph for electrical lighting devices and fixtures and water heaters shall apply only to work performed on a one or two family dwelling. In addition, exclusions for electrical lighting devices and fixtures and electric water heaters shall apply only to work performed by a person licensed under G.S. 87-43 and exclusions for water heaters, generally, to work performed by a person licensed under G.S. 87-21.

(b6) No State Agency Permit. – No building-permit shall be required under such the Code from any State agency for the construction of any building or structure, the total cost of which is less than twenty thousand dollars (\$20,000), except public or institutional buildings.

...

(b10) Replacement Water Heaters. –

(1) Exclusion. – No permit shall be required under the Code or any local variant approved under subsection (e) of this section for replacement of water heaters in one- or two-family dwellings, provided (i) the energy use rate or thermal input is not greater than that of the water heater which is being replaced, and there is no change in fuel, energy source, location, capacity, or routing or sizing of venting and piping, (ii) the work is performed by a person or employee of a company licensed under G.S. 87-21 or pursuant to G.S. 87-21(i), and (iii) the replacement is installed in accordance with the current edition of the North Carolina State Building Code.

(2) Energy efficiency. – The Code may contain rules concerning minimum efficiency requirements for replacement water heaters, which shall consider reasonable availability from manufacturers to meet installation space requirements and may contain rules concerning energy efficiency that require all hot water plumbing pipes that are larger than one-fourth of an inch to be insulated.

...
(b14) ~~[Exclusion for Routine Maintenance.]~~ Exclusion for Routine Maintenance of Pumps and Dispensers. – No building-permit shall be required under the Code or any local variant approved under subsection (e) of this section for routine maintenance on fuel dispensing pumps and other dispensing devices. For purposes of this subsection, "routine maintenance" includes repair or replacement of hoses, O-rings, nozzles, or emergency breakaways.

...
(b16) Exclusion for Electrical Devices and Lighting Fixtures. – No permit shall be required under the Code or any local variant approved under subsection (e) of this section for the repair or replacement of dishwashers, disposals, water heaters, electrical devices, or lighting fixtures in residential or commercial structures, provided that all of the following apply:

(1) The repair or replacement does not require the addition or relocation of electrical wiring.

(2) The work is performed by a person or employee of a company licensed under G.S. 87-43.

(3) The repair or replacement is performed in accordance with the current edition of the North Carolina State Building Code.

...."

SECTION 13.(b) G.S. 153A-357 reads as rewritten:

"§ 153A-357. Permits.

...
(a2) No permit issued under Articles 9 or 9C of G.S. Chapter 143 shall be required for any construction, installation, repair, replacement, or alteration performed in accordance with the current edition of the North Carolina State Building Code and costing fifteen thousand dollars (\$15,000) or less in any single-family residence or farm building unless the work involves: the involves any of the following:

(1) The addition, repair or replacement of load bearing structures; the structures. However, no permit is required for replacements of windows, doors, exterior siding, or the pickets, railings, stair treads, and decking of porches and exterior decks.

(2) The addition (excluding replacement of same size and capacity) or change in the design of plumbing; the plumbing. However, no permit is required for replacements otherwise meeting the requirements of this subsection that do not change size or capacity.

(3) The addition, replacement or change in the design of heating, air conditioning, or electrical wiring, devices, appliances, or equipment; the equipment, other than like-kind replacement of electrical devices and lighting fixtures.

(4) The use of materials not permitted by the North Carolina Uniform Residential Building Code; or the Residential Code for One- and Two-Family Dwellings.

(5) The addition (excluding replacement of like grade of fire resistance) of roofing.
~~Violation of this section constitutes a Class 1 misdemeanor.~~

...
(g) Violation of this section constitutes a Class 1 misdemeanor."

SECTION 13.(c) G.S. 160A-417 reads as rewritten:

"§ 160A-417. Permits.

...
(a2) No permit issued under Articles 9 or 9C of Chapter 143 shall be required for any construction, installation, repair, replacement, or alteration performed in accordance with the current edition of the North Carolina State Building Code and costing fifteen thousand dollars (\$15,000) or less in any single family residence or farm building unless the work involves: the involves any of the following:

(1) The addition, repair or replacement of load bearing structures; the structures. However, no permit is required for replacements of windows, doors, exterior siding, or the pickets, railings, stair treads, and decking of porches and exterior decks.

(2) The addition (excluding replacement of same size and capacity) or change in the design of plumbing; the plumbing. However, no permit is required for replacements otherwise meeting the requirements of this subsection that do not change size or capacity.

(3) The addition, replacement or change in the design of heating, air conditioning, or electrical wiring, devices, appliances, or equipment; the equipment, other than like-kind replacement of electrical devices and lighting fixtures.

(4) The use of materials not permitted by the North Carolina Uniform Residential Building Code; or the Residential Code for One- and Two-Family Dwellings.

(5) The addition (excluding replacement of like grade of fire resistance) of roofing.
~~Violation of this section constitutes a Class 1 misdemeanor.~~

...
(f) Violation of this section constitutes a Class 1 misdemeanor."

SECTION 13.(d) This section becomes effective October 1, 2016.

EXEMPT HORTICULTURAL USES FROM THE SEDIMENTATION POLLUTION CONTROL ACT

SECTION 14. G.S. 113A-52.01 reads as rewritten:

"§ 113A-52.01. Applicability of this Article.

This Article shall not apply to the following land-disturbing activities:

(1) Activities, including the breeding and grazing of livestock, production and activities relating or incidental to the production of crops, grains, fruits, vegetables, ornamental and flowering plants, dairy, livestock, poultry, and all other forms of agriculture undertaken on agricultural land for the production of plants and animals useful to man, including, but not limited to:

a. Forages and sod crops, grains and feed crops, tobacco, cotton, and peanuts.

b. Dairy animals and dairy products.

c. Poultry and poultry products.

- d. Livestock, including beef cattle, llamas, sheep, swine, horses, ponies, mules, and goats.
- e. Bees and apiary products.
- f. Fur producing animals.
- g. Mulch, ornamental plants, and other horticultural products. For purposes of this section, "mulch" means substances composed primarily of plant remains or mixtures of such substances.

- (2) Activities undertaken on forestland for the production and harvesting of timber and timber products and conducted in accordance with best management practices set out in Forest Practice Guidelines Related to Water Quality, as adopted by the Department.
- (3) Activities for which a permit is required under the Mining Act of 1971, Article 7 of Chapter 74 of the General Statutes.
- (4) For the duration of an emergency, activities essential to protect human life, including activities specified in an executive order issued under G.S. 166A-19.30(a)(5).
- (5) Activities undertaken to restore the wetland functions of converted wetlands to provide compensatory mitigation to offset impacts permitted under Section 404 of the Clean Water Act.
- (6) Activities undertaken pursuant to Natural Resources Conservation Service standards to restore the wetlands functions of converted wetlands as defined in Title 7 Code of Federal Regulations § 12.2 (January 1, 2014 Edition)."

CLARIFY ELIGIBILITY FOR EXPANDED GAS PRODUCTS SERVICE TO AGRICULTURE FUND

SECTION 15. G.S. 143B-437.020(a) reads as rewritten:

"§ 143B-437.020. Natural gas and propane gas for agricultural projects.

(a) Definitions. –

- (1) Agriculture. – Activities defined in G.S. 106-581.1, whether performed on or off the farm.
- (2) Repealed by Session Laws 2014-100, s. 15.13(a), effective July 1, 2014.
- (3) Eligible project. – A discrete and specific economic development project ~~that would expand for an agricultural production operation or agricultural processing capabilities facility that requires new or expanded requests~~ natural gas or propane gas service. A project intended for the purpose of commercial resale of natural gas or propane gas shall not be an eligible project.
- (4) Excess infrastructure costs. – Any project carrying costs incurred by a natural gas local distribution company to provide new or expanded natural gas service to an eligible project that exceed the income the infrastructure generates for the local natural gas distribution company, including any standard rates, special contract rates, minimum margin agreements, and contributions in aid of construction collected by the natural gas local distribution company.
- (5) Project carrying costs. – All costs, including depreciation, taxes, operation and maintenance expenses, and, for a natural gas local distribution company, a return on investment equal to the rate of return approved by the Utilities Commission in the natural gas local distribution company's most recent general rate case under G.S. 62-133.
- (6) Secretary. – The Secretary of Commerce."

REQUIRE WRITTEN NOTICE OF AUTOMATIC CONTRACT RENEWAL FIFTEEN TO FORTY-FIVE DAYS PRIOR TO THE AUTOMATIC RENEWAL

SECTION 16.(a) G.S. 75-41 reads as rewritten:

"§ 75-41. Contracts with automatic renewal clauses.

(a) Any ~~person, firm, or corporation~~ person engaged in commerce that sells, leases, or offers to sell or lease, any products or services to a consumer pursuant to a contract, where the contract automatically renews unless the consumer cancels the contract, shall ~~disclose~~ do all of the following:

(1) Disclose the automatic renewal clause clearly and conspicuously in the contract or contract offer.

(b) Any ~~person, firm, or corporation~~ person engaged in commerce that sells, leases, or offers to sell or lease, any products or services to a consumer pursuant to a contract, where the contract automatically renews unless the consumer cancels the contract, shall ~~disclose~~

(2) Disclose clearly and conspicuously how to cancel the contract in the initial contract, contract offer, or with delivery of products or services.

(3) For any automatic renewal exceeding 60 days, provide written notice to the consumer by personal delivery, electronic mail, or first-class mail, at least 15 days but no earlier than 45 days before the date the contract is to be automatically renewed, stating the date on which the contract is scheduled to automatically renew and notifying the consumer that the contract will automatically renew unless it is cancelled by the consumer prior to that date.

(4) If the terms of the contract will change upon the automatic renewal of the contract, disclose the changing terms of the contract clearly and conspicuously on the notification in at least 12 point type and in bold print.

(c) A ~~person, firm, or corporation~~ person that fails to comply with the requirements of this section is in violation of this section unless the ~~person, firm, or corporation~~ person demonstrates that all of the following are its routine business practice:

(1) ~~It~~ The person has established and implemented written procedures to comply with this section and enforces compliance with the procedures.

(2) Any failure to comply with this section is the result of error.

(3) Where an error has caused the failure to comply with this section, ~~it~~ the person provides a full refund or credit for all amounts billed to or paid by the consumer from the date of the renewal until the date of the termination of the contract, or the date of the subsequent notice of renewal, whichever occurs first.

(d) This section does not apply to insurers licensed under Chapter 58 of the General Statutes, or to banks, trust companies, savings and loan associations, savings banks, or credit unions licensed or organized under the laws of any state or the United States, or any foreign bank maintaining a branch or agency licensed under the laws of the United States, or any subsidiary or affiliate ~~thereof~~ thereof, nor does this section apply to any entity subject to regulation by the Federal Communications Commission under Title 47 of the United States Code or by the North Carolina Utilities Commission under Chapter 62 of the General Statutes, or to any entity doing business directly or through an affiliate pursuant to a franchise, license, certificate, or other authorization issued by a political subdivision of the State or an agency thereof.

(e) A violation of this section renders the automatic renewal clause void and unenforceable."

SECTION 16.(b) This section is effective when it becomes law and applies to contracts entered into on or after that date.

AUTHORIZE CERTIFIED WELL DRILLERS TO INSTALL CERTAIN WATER PIPES AND ELECTRICAL WIRING IN A SINGLE DITCH

SECTION 17.(a) G.S. 87-97 reads as rewritten:

"§ 87-97. Permitting, inspection, and testing of private drinking water wells.

(b1) Permit to Include Authorization for Piping and Electrical. – When a permit is issued under this section, ~~that the local health department shall be responsible for notifying the appropriate building inspector of the issuance of the well permit. A permit issued under this section shall also be deemed to include authorization for the for all of the following:~~

- (1) The installation, construction, maintenance, or repair of electrical wiring, devices, appliances, or equipment by a person certified as a well contractor under Article 7A of this Chapter when running electrical wires from the well pump to the pressure switch. ~~The local health department shall be responsible for notifying the appropriate building inspector of the issuance of the well permit.~~
- (2) The installation, construction, maintenance, or repair of water pipes by a person certified as a well contractor under Article 7A of this Chapter when running water pipes from the well to the water tank.
- (3) The installation of both water pipes and electrical wiring in a single ditch by a person certified as a well contractor under Article 7A of this Chapter when running electrical wires from the well pump to the pressure switch and water pipes from the well to the water tank. The ditch shall be as deep as the minimum cover requirements for either electrical wiring or water pipes, whichever is greater.

This subsection shall not be interpreted to prohibit any person licensed by an independent occupational licensing board from performing any authorized services within the scope of practice of the person's license.

...."

SECTION 17.(b) The Building Code Council shall amend the State Electrical Code and the State Plumbing Code consistent with this section.

SECTION 17.(c) This section becomes effective October 1, 2016.

PRIORITIZE SWINE AND POULTRY RENEWABLE ENERGY FACILITIES IN THE INTERCONNECTION QUEUE

SECTION 18.(a) An electric public utility that has received a request to interconnect to the public utility's distribution system from a renewable energy facility that meets all of the following requirements shall move that request to the front of the respective study queue relative to all other pending valid interconnection requests:

- (1) The facility is fueled by only swine or only poultry waste, or is fueled solely by a combination of swine and poultry waste.
- (2) Prior to May 21, 2016, the facility has (i) entered into the interconnection queue and (ii) either obtained a certificate of public convenience and necessity under G.S. 62-110.1(a) or reported to the Utilities Commission that it proposes to construct the facility under G.S. 62-110.1(g).

SECTION 18.(b) Notwithstanding subsection (a) of this section, a renewable energy facility that meets the requirements of this section shall not be moved in front of an interconnection request that has either (i) initiated the system impact study process, or (ii) received a system impact study report and is continuing through the interconnection process.

SECTION 18.(c) Any prioritization of a renewable energy facility granted pursuant to this section shall be based on original queue numbers, and the facility shall otherwise comply with the North Carolina Interconnection Standard approved by the Commission.

SECTION 18.(d) This section is effective when it becomes law and expires on January 1, 2017.

EFFECTIVE DATE AND SEVERABILITY CLAUSE

1 **SECTION 19.(a)** If any provision of this act or its application is held invalid, the
2 invalidity does not affect other provisions or applications of this act that can be given effect
3 without the invalid provisions or application, and to this end, the provisions of this act are
4 severable.

5 **SECTION 19.(b)** Except as otherwise provided, this act is effective when it becomes
6 law.



SENATE BILL 770: NC Farm Act of 2016.

2016-2017 General Assembly

Committee: House Agriculture
Introduced by: Sens. B. Jackson, Brock, Cook
Analysis of: PCS to Fifth Edition
S770-CSTQxf-56 [v.2]

Date: June 28, 2016
Prepared by: Chris Saunders
Committee Counsel

SUMMARY: *The Proposed Committee Substitute (PCS) to Senate Bill 770 would make various changes to agricultural, wildlife, taxation, Building Code, and other laws. The PCS would make the following changes from the Fifth Edition and version 1 of this PCS, which was heard on June 23:*

- *In Section 16, requires notice of an automatically renewing contract to be given would be given no sooner than 45 days and no later than 15 days before the renewal. The Fifth Edition would have required notice to be given no sooner than 30 days and no later than 15 days before the renewal.*
- *In Section 11, makes the assessment on cervid feed applicable to all cervid feed, rather than farmed cervid feed only.*
- *Deletes Section 12, which would have exempted agricultural and silvicultural operations from water withdrawal permitting in capacity use areas.*
- *In Section 14, clarifies specific agricultural activities that are exempt from the Sedimentation Pollution Control Act.*
- *Adds Section 18, which would give priority to certain swine and poultry waste renewable energy facilities in the public utility's interconnection queue.*

[As introduced, this bill was identical to H993, as introduced by Reps. Brody, Dixon, Langdon, Steinburg, which is currently in House Agriculture.]

CURRENT LAW AND BILL ANALYSIS:

Section 1 of the PCS would grant the Department of Agriculture and Consumer Services (DACS) several new powers to enforce the DACS bedding sanitation program. This section would grant DACS the authority to detain or embargo bedding products suspected of being adulterated or misbranded, and allow DACS to petition for the products to be condemned. This section would also authorize the Commissioner of Agriculture (Commissioner) to petition the superior court for an injunction and assess a civil penalty of not more than \$2,500 against a person in violation of the bedding laws. This section would also make a violation of the bedding laws a Class 2 misdemeanor.

This section would become effective December 1, 2016, and would apply to offenses committed on or after that date.

Section 2 would authorize DACS to appoint and deploy agricultural emergency response teams (AERTs) to respond to agricultural emergencies. AERTs would be employees of DACS and personnel operating with DACS as a contracted service, whom the Commissioner designates to respond to

Karen Cochrane-Brown
Director



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Legislative Analysis
Division
919-733-2578

Senate PCS 770

Page 2

agricultural emergencies. AERTs would have the same immunity from liability in responding to agricultural emergencies as other emergency response agencies covered by the North Carolina Emergency Management Act. DACS would be authorized to use any unrestricted funds available to it that have been allocated by the General Assembly from the General Fund.

Section 3 would authorize employees of the Wildlife Resources Commission and employees of federal agencies whose responsibilities include fisheries and wildlife management, such as the Animal and Plant Health Inspection Service of the United States Department of Agriculture (USDA-APHIS), to cull feral swine from aircraft with the written permission of the landowner. This activity would be prohibited in coastal counties during waterfowl season.

Section 4 would eliminate the rendering plant inspection committee, which is composed of an employee of DACS, an employee of the Department of Health and Human Services, and a person having practical knowledge of rendering operations, and direct the Commissioner or the Commissioner's designee to inspect rendering operations.

Section 5 would require that both elected and appointed soil and water district supervisors annually receive six hours of training in soil, water, and natural resources conservation and the duties and responsibilities of district supervisors.

Section 6 would direct the Board of Agriculture, rather than the Animal Welfare Section of DACS, to adopt rules detailing eligible expenses and application guidelines for the Animal Shelter Support Fund ("Fund"). The Animal Welfare Section does not have rulemaking authority. This section would also give the Board of Agriculture temporary rulemaking authority to administer the Fund.

Section 7 would exempt the Board of Agriculture from the rulemaking requirements of the Administrative Procedure Act with respect to the adoption of fee schedules for the preparation of forest management plans by the North Carolina Forest Service.

Section 8 would allow local school boards to develop and implement policies to facilitate and maximize purchases of food grown or raised in North Carolina, including policies that allow a percentage price preference for the purpose of procuring food grown or manufactured within the State. The federal Food, Conservation, and Energy Act of 2008 authorized institutions receiving funds under the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to use a geographic preference for procurement of local unprocessed agricultural products (Public Law No. 110-234, Section 4302).

Section 9 would create an exemption for chorionic gonadotropin from the list of Schedule III controlled substances when administered by injection for veterinary use by a licensed veterinarian or the veterinarian's designated agent.

Section 10 would extend the sunset for the production credit for commercial facilities for processing renewable fuel from January 1, 2017 to January 1, 2020.

Section 11 would create a voluntary assessment on cervid feed to be administered by the North Carolina Deer and Elk Farmers Association ("Association"), not to exceed four dollars (\$4.00) per ton of cervid feed. The assessment may not be levied for a period longer than ten years. All funds paid into the assessment are refundable upon written request to the Association.

Section 13 would provide that no permit is required to conduct any construction, installation, repair, replacement, or alteration activities costing \$15,000 or less in residential and farm structures if the work is performed in accordance with the current edition of the North Carolina State Building Code and involves:

Senate PCS 770

Page 3

- Replacements of windows; doors; exterior siding; or pickets, railings, stair treads, and decking of porches and exterior decks.
- Plumbing replacements that do not change size or capacity.
- Replacement of roofing.

This section would further provide that no permit is required for:

- Replacement of water heaters in one- or two-family dwellings, if (1) the energy use or thermal input does not exceed that of the water heater being replaced and there is no change in fuel, energy source, location, capacity, or routing or sizing of venting and piping, and (2) the work is performed by a person or employee of a company licensed by the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors.
- Repair or replacement of dishwashers, disposals, electrical devices, or lighting fixtures in residential or commercial structures, if (1) the repair or replacement does not require addition or relocation of additional electrical wiring, and (2) the work is performed by a person or employee of a company licensed by the State Board of Examiners of Electrical Contractors.

This section would also provide that no permit is required, either under the State Building Code or any local variant, for routine maintenance of fuel dispensing pumps and other dispensing devices.

This section would become effective October 1, 2016.

Section 14 would exempt production and activities relating or incidental to the production of crops, grains, fruits, vegetables, ornamental and flowering plants, dairy, livestock, poultry, and all other forms of agriculture, including the production of mulch, ornamental plants, sod, and other horticultural products, from the Sedimentation Pollution Control Act.

Section 15 would modify the eligibility requirements for the Expanded Gas Products Service to Agriculture Fund by providing that an eligible project is a project for an agricultural operation or agricultural processing facility that requests natural gas or propane gas service. Under current law, an eligible project must expand the agricultural or processing capabilities of the facility.

Section 16 would make an automatic contract renewal for the sale, lease of products or services for a term exceeding 60 days void and unenforceable unless the consumer is given written notice that the contract will automatically renew if the consumer does not cancel it, and would require the notice to be given no sooner than 45 days and no later than 15 days before the renewal. This section would (i) limit the notice requirement to automatic renewals for periods exceeding 60 days, (ii) provide for notice by personal delivery, electronic mail or first-class mail, and (iii) exclude entities regulated by the Federal Communications Commission under federal law, by the N.C. Utilities Commission under State law, or doing business under authorization issued by a political subdivision of the State or any agency thereof. These exclusions would be in addition to entities excluded under current law, including insurers licensed under Chapter 58 of the General Statutes, banks, trust companies, savings and loan associations, savings banks, and credit unions licensed or organized under the laws of any state or the United States, and any foreign bank maintaining a branch or agency licensed under the laws of the United States, or any subsidiary or affiliate thereof.

This section would become effective when it becomes law, and would apply to contracts entered into on or after that date.

Section 17 would authorize certified well contractors to install both water pipes and electrical wiring in a single ditch when running electrical wires from the well pump to the pressure switch and water pipes

Senate PCS 770

Page 4

from the well to the water tank. The ditch must be as deep as the deepest applicable minimum cover requirement for the electrical wiring or water pipes. This section would also direct the Building Code Council to amend the State Electrical Code and the State Plumbing Code consistent with this section.

This section would become effective October 1, 2016.

Section 18 would give priority to swine and poultry waste renewable energy facilities in the public utility's interconnection queue, provided that prior to May 21, 2016, the facility has (i) entered into the interconnection queue and (ii) either obtained a certificate of public convenience and necessity under G.S. 62-110.1(a) or reported to the Utilities Commission that it proposes to construct the facility under G.S. 62-110.1(g). Any such facility would not be moved ahead of an interconnection request that has either (i) initiated the system impact study process, or (ii) received a system impact study report and is continuing through the interconnection process.

This section would be effective when it becomes law, and would expire on January 1, 2017.

Section 19 contains a severability clause.

EFFECTIVE DATE: Except as otherwise provided, this act would become effective when it becomes law.

VISITOR REGISTRATION SHEET

House Comm. on Agriculture

06/23/16

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Tom BEAN	EDF
Michelle Jones	NCPAA
Emily Seanes	Rep. Dixon's office
MATT ARSENAULT	NY SIERRA CLUB
Ben Agsten	CTNC
Sarah Bales	Brokers Assn
Sarah Collins	NCLM
Hugh Johnson	NCAC
Josh Lyman	Bartlett for 'Morica
Hayes Finley	Marlies Kelley Law
Amy McConkey	NC BEV



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NCHFA

CHRIS DILLON

WAKE CO

AC

WRC

Madeline Hurley

Ward and Smith, P.A.

Dick Calkin

L2nd fl. of 10th floor

Luan Monard

WM

Kathy Kingburg

JP

Phoebe Landon

muc

Mollie Young

DEQ

Caroline Thomas

DEQ

Boo Heath

McGuire Wood



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Mike Carpenter	NCHSA
Tim Minton	NCHSA
Butch Gunnells	NC Bev
Alex Miller	AMBA
Pryor Guze	NCFD
Brooks Roney Pearson	SEEC
Ms Mach ashii	SEEC
Matthew Starr	River Deep
Jesse Way	NCLCV
Nick Younger	NCLCV



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House Comm. on Agriculture

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06/23/16

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NAME _____

FIRM OR AGENCY AND ADDRESS

Camen Honly

MVA

Mr. Jones

Disf

Cumanda Donovan

TSS

Crady R^l Collier

NC Conservation Network

Fred Bone

Bone : \$50.



VISITOR REGISTRATION SHEET

House Committee on Agriculture

Thursday, June 23, 2016

Name of Committee

Date

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NAME

FIRM OR AGENCY AND ADDRESS

Chris Uell	PC
John M. M. M. M.	PC
David McGowan	NCPC
Weldon Jones	Jordan Jones
Rob Lammie	FLA
Sarah McQuillan	SSGNC
Chris McDune	RP
BRUCE THOMPSON	PALFOR PDB
Martha Jenkins	DNCR
Rich Fountain	Youngman & Henderson



VISITOR REGISTRATION SHEET

House Committee on Agriculture

Thursday, June 23, 2016

Name of Committee

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Dianna Denny	PSNCLUC
James McLawhorn	PSNCLUC
Daniel Baum	Troutman Sanders
Isabel Villa Sanja	NCAR
Wendy Kelly	Troutman Sanders
Allen Hardison	NCSD/ANR
Douglas	NCSTA
Lisa Martin] Cap-Adv
Theresa Kostrogue	
J. Bode	B & H
GEORGE COHEN	NN



VISITOR REGISTRATION SHEET

House Committee on Agriculture

Thursday, June 23, 2016

Name of Committee

Date

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Lori Ann Hamer	LATA
Joe Hudynia	NCDARS
Joy Thaler	NCDARS
Jim Bunnell	NCDARS
Anna Clark	UNCDB
Aaron Oxendine	DACS
Scott Lister	ESGNC
Sam V	Duke Energy
Andy Ell	NCH
Kara Weishaar	SA
Meghan Cook	NCDIT



VISITOR REGISTRATION SHEET

House Committee on Agriculture
Name of Committee

Thursday, June 23, 2016
Date

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NAME

FIRM OR AGENCY AND ADDRESS

Elizabeth Robinson

NCMA

Amanda Smith

NCPC

John Patrick

NCMA

Tommy Stevens

Stevens Lobby

Ham Jones

Gordon Price

Wanda Thompson

Weyerhaeuser

John Cooper

CCS

Peter Deibel

CCS

Paul Shuman

NCFB

Angie Maier

NCPC

Robert Josey

BSUC



**House Committee on Agriculture
Tuesday, June 28, 2016 at 8:30 AM
Room 643 of the Legislative Office Building**

MINUTES

The House Committee on Agriculture met at 8:30 AM on June 28, 2016 in Room 643 of the Legislative Office Building. Representatives Brody, Dixon, Langdon, Steinburg, Charles Graham, George Graham, Yarborough, Zachary, Ager, John Bell, Larry Bell, Bradford, Cleveland, Collins, Earle, Holley, Jones, McGrady, Pittman, Presnell, Queen, Riddell, Salmon, Rena Turner, Waddell, Watford, West, and Whitmire attended.

Representative Jimmy Dixon, Chair, presided.

Representative Dixon introduced the House Sergeants at Arms and the House Pages and thanked them for their assistance. After making introductory remarks, the following bill was considered:

SB 770 NC Farm Act of 2016 (Senators B. Jackson, Brock, Cook)

Rep. Cleveland was recognized by the Chair and motioned that Proposed House Committee Substitute S-770, NC Farm Act of 2016 be before the committee. Chairman Dixon conducted a voice vote on the motion which was affirmed by the members.

Chairman Dixon introduced Senator Brent Jackson, the bill sponsor. Senator Jackson spoke on the proposed committee substitute and answered questions posed by the committee.

Rep. Bradford was recognized to send forth and explain an amendment. Chairman Dixon conducted a voice vote on the amendment which was affirmed by the members.

At the conclusion of questions and comments by members of the committee, Chairman Dixon invited John Swope, Sampson County Executive Director of Economic Development Commission and Mark Conlon, representative from Chemtex to speak on the bill.

Rep. West was recognized to send forth a motion to issue a favorable report for the proposed committee substitute, as amended, with a referral to the House Committee on Finance and unfavorable to the original bill. Chairman Dixon conducted a voice vote on the motion which was affirmed by the members. The meeting adjourned at 8:53 AM.

Representative Jimmy Dixon, Chair
Presiding

Bethany Hudson
Bethany Hudson, Committee Clerk



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION**

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

DAY & DATE: Tuesday, June 28, 2016
TIME: 8:30 AM
LOCATION: 643 LOB

The following bills will be considered:

BILL NO.	SHORT TITLE
SB 770	NC Farm Act of 2016.

SPONSOR
Senator B. Jackson
Senator Brock
Senator Cook

Respectfully,

Representative Mark Brody, Co-Chair
Representative Jimmy Dixon, Co-Chair
Representative James H. Langdon, Jr., Co-Chair
Representative Bob Steinburg, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 2:23 PM on Monday, July 11, 2016.

____ Principal Clerk
____ Reading Clerk – House Chamber

Bethany Hudson (Committee Assistant)



NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

AGRICULTURE COMMITTEE REPORT
Representative Mark Brody, Co-Chair
Representative Jimmy Dixon, Co-Chair
Representative James H. Langdon, Jr., Co-Chair
Representative Bob Steinburg, Co-Chair

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB NO. 3 AND RE-
REFERRED

SB 770 (CS#3)

NC Farm Act of 2016.

Draft Number: S770-PCS45544-TQxf-56

Serial Referral: FINANCE

Recommended Referral: None

Long Title Amended: No

Floor Manager: Dixon

TOTAL REPORTED: 1



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GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE BILL 770

Agriculture/Environment/Natural Resources Committee Substitute Adopted 5/25/16

Judiciary II Committee Substitute Adopted 5/26/16

Finance Committee Substitute Adopted 6/15/16

Fifth Edition Engrossed 6/20/16

PROPOSED HOUSE COMMITTEE SUBSTITUTE S770-CSTQxf-56 [v.2]

06/27/2016 04:59:22 PM

Short Title: NC Farm Act of 2016.

(Public)

Sponsors:

Referred to:

April 28, 2016

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FURTHER REGULATORY RELIEF TO THE AGRICULTURAL
COMMUNITY.

The General Assembly of North Carolina enacts:

**PROVIDE THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
WITH ENFORCEMENT AUTHORITY FOR THE PROGRAM GOVERNING BEDDING
IMPROPERLY MADE, SANITIZED, OR TAGGED**

SECTION 1.(a) Article 4H of Chapter 106 of the General Statutes is amended by
adding five new sections to read:

**"§ 106-65.105A. Detention or embargo of product or item suspected of being adulterated or
misbranded.**

**(a) If an authorized agent of the Department of Agriculture and Consumer Services finds
or has probable cause to believe that any bedding, secondhand bedding, material, or other item
regulated under this Article is unsanitary, mislabeled, unsafe for its intended use, a danger to the
public, or is otherwise in violation of the requirements of this Article, the agent may affix to the
item a tag or other appropriate marking giving notice that the item has been detained or embargoed
with information identifying the violation(s). It shall be a violation of this Article for any person to
remove or alter a tag authorized by this subsection, or to remove or dispose of a detained or
embargoed item by sale or otherwise, without such permission, and the tag or marking shall
include a warning to that effect.**

**(b) When an item is detained or embargoed under subsection (a) of this section, an
authorized agent of the Department of Agriculture and Consumer Services may petition a judge of
the district or superior court in whose jurisdiction the item is detained or embargoed for an order
for condemnation of the item. When an authorized agent has found that an item detained or
embargoed is not unsanitary, mislabeled, unsafe for its intended use, a danger to the public, or
otherwise in violation of the requirements of this Article, the agent shall remove the tag or other
marking.**

**(c) If the court finds that a detained or embargoed item is unsanitary, mislabeled, or
contains toxic materials, the item shall, after entry of the decree, be destroyed at the expense of the
item's claimant, under the supervision of an authorized agent of the Department of Agriculture and
Consumer Services; and all court costs and fees, storage, and other proper expenses shall be levied**



1 against the claimant of the item or the claimant's agent; provided, that when the unsanitary
2 condition, mislabeling, safety concerns, or other violation can be corrected by proper labeling or
3 processing of the item, the court, after entry of the decree and after costs, fees, and expenses have
4 been paid and a good and sufficient bond, conditioned that the item shall be properly labeled or
5 processed, has been executed, may by order direct that the item be delivered to the item's claimant
6 for proper labeling or processing under the supervision of an agent of the Department of
7 Agriculture and Consumer Services. The expense of the Department's supervision shall be paid by
8 the claimant. The amount of any bond paid shall be returned to the claimant of the item on
9 representation to the court by the Department of Agriculture and Consumer Services that the item
10 is no longer in violation of this Article and that the expenses of the Department's supervision have
11 been paid.

12 **"§ 106-65.105B. Injunctions restraining violations.**

13 In addition to any other remedies provided by this Article, the Commissioner is authorized to
14 apply to the superior court for, and the court shall have jurisdiction upon hearing and for cause
15 shown to grant, a temporary or permanent injunction restraining any person from violating any
16 provision of this Article or any rule promulgated thereunder, irrespective of whether or not there
17 exists an adequate remedy at law.

18 **"§ 106-65.105C. Civil penalties.**

19 (a) The Commissioner may assess a civil penalty of not more than two thousand five
20 hundred dollars (\$2,500) per violation against any person, firm, or corporation that violates or
21 directly causes a violation of any provision of this Article, rules, regulations, or standards
22 promulgated thereunder, or lawful order of the Commissioner. In addition, if any person continues
23 to violate or further violates any provision of this Article after written notice from the
24 Commissioner, the Commissioner may determine that each day during which the violation
25 continued or is repeated constitutes a separate violation subject to additional civil penalties. In
26 determining the amount of the penalty, the Commissioner shall consider the degree and extent of
27 harm caused or potentially caused by the violation.

28 (b) Prior to assessing a civil penalty, the Commissioner shall give the person written notice
29 of the violation and a reasonable period of time in which to correct the violation. However, the
30 Commissioner shall not be required to give a person time to correct a violation before assessing a
31 penalty if the Commissioner determines the violation has the potential to cause physical injury or
32 illness.

33 (c) The Commissioner may consider the training and management practices implemented
34 by the person, firm, or corporation for the purpose of complying with this Article as a mitigating
35 factor when determining the amount of the civil penalty.

36 (d) The Commissioner shall remit the clear proceeds of civil penalties assessed pursuant to
37 this section to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

38 **"§ 106-65.105D. Violation a misdemeanor.**

39 (a) Except as otherwise provided, any person, firm, or corporation that violates any of the
40 provisions of this Article, or any of the rules, regulations, or standards promulgated hereunder,
41 shall be deemed guilty of a Class 2 misdemeanor.

42 (b) Any person, firm, or corporation that provides the Commissioner or a duly authorized
43 agent of the Commissioner with false or misleading information in relation to a license application
44 or renewal, inspection, or investigation authorized by this Article shall be deemed guilty of a Class
45 2 misdemeanor.

46 (c) Any person, firm, or corporation that alters or removes a tag indicating that an item has
47 been detained or embargoed pursuant to G.S. 106-65.105A(a) without first receiving permission
48 from the court or a duly authorized agent under this Article shall be deemed guilty of a Class 2
49 misdemeanor.

(d) Any person, firm, or corporation that removes or disposes of any item detained or embargoed under G.S. 106-65.105A(a) without first receiving permission from the court or a duly authorized agent under this Article shall be deemed guilty of a Class 2 misdemeanor.

(e) Any person who willfully resists, opposes, impedes, intimidates, or interferes with any duly authorized agent while engaged in or on account of the performance of the duly authorized agent's official duties under this Article shall be guilty of a Class 2 misdemeanor. Whoever, in the commission of any such acts, uses a deadly weapon shall be guilty of a Class 1 misdemeanor.

(f) If any person continues to violate or further violates any provision of this Article after receiving written notice from the Commissioner, the court may determine that each day during which the violation continued or is repeated constitutes a separate violation.

"§ 106-65.105E. Report of minor violations in discretion of Commissioner.

Nothing in this Article shall be construed to require the Commissioner to initiate, or attempt to initiate, any criminal or administrative proceedings under this Article for minor violations of this Article whenever the Commissioner believes that the public interest will be adequately served in the circumstances by a suitable written notice or warning."

SECTION 1.(b) This section becomes effective December 1, 2016, and applies to offenses committed on or after that date.

AUTHORIZE THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO APPOINT AND DEPLOY AGRICULTURAL EMERGENCY RESPONSE TEAMS IN AGRICULTURAL EMERGENCIES

SECTION 2.(a) Chapter 106 of the General Statutes is amended by adding a new Article to read:

"Article 85.

"Agricultural Emergency Response Act.

"§ 106-1033. Short title.

This Article shall be known as the "Agricultural Emergency Response Act."

"§ 106-1034. Statement of purpose and authorization.

The North Carolina Department of Agriculture and Consumer Services is authorized to aid and assist agricultural operations and landowners in the preparedness for, response to, and recovery from agricultural emergencies. This authorization is given separate and apart from the authorities authorized by Chapter 166A of the General Statutes and shall not require declaration of a state of emergency pursuant to G.S. 166A-19.20 for its implementation. In the event of a state of emergency declaration and where this Article is inconsistent with the provisions of Chapter 166A of the General Statutes, the provisions of Chapter 166A of the General Statutes shall control as to the areas covered under the declaration. The Board of Agriculture may adopt rules necessary for the implementation and administration of this Article.

"§ 106-1035. Definitions.

For purposes of this Article, the following definitions apply:

- (1) "Agricultural emergency" means an emergency, as defined in G.S. 166A-19.3, that results in exposure of or damage to pre- or post-harvest of plants, livestock, feed, water resources, or infrastructure which adversely affects one or more members of the agricultural community and the economic viability of the agriculture industry within the State.
- (2) "Agricultural Emergency Response Team" means employees of the North Carolina Department of Agriculture and Consumer Services who have been designated by the Commissioner to respond to agricultural emergencies, as authorized by G.S. 106-1036, and any personnel operating under agreement with the Department as a contracted service, including, but not limited to, private companies and units of local government.
- (3) "Commissioner" means the Commissioner of Agriculture.

(4) "Department" means the North Carolina Department of Agriculture and Consumer Services.

"§ 106-1036. Agricultural Emergency Response Teams authorized.

When the Commissioner determines, in consultation with the Governor, that there is an imminent threat of an agricultural emergency or that an agricultural emergency exists within the State that threatens to cause damage to or has caused damage to agricultural lands, facilities, and operations, the Commissioner is authorized to deploy Agricultural Emergency Response Teams to aid in prevention measures and recovery efforts on the premises of agricultural landowners throughout the State, wherever located.

"§ 106-1037. Immunity and liability.

All functions authorized by this Article and all other activities relating to agricultural emergencies are hereby declared to be governmental functions. Neither the State nor any political subdivision thereof, nor, except in cases of willful misconduct, gross negligence, or bad faith, any Agricultural Emergency Response Team worker, firm, partnership, association, or corporation complying with or reasonably attempting to comply with this Article or any order, rule, or regulation promulgated pursuant to the provisions of this Article, shall be liable for the death of or injury to persons or for damage to property as a result of any such activity.

"§ 106-1038. No private liability.

Any person, firm, or corporation, together with any successors in interest, if any, owning or controlling real or personal property who, voluntarily or involuntarily, knowingly or unknowingly, with or without compensation, grants a license or privilege or otherwise permits or allows the designation or use of the whole or any part or parts of such real or personal property for the purpose of activities or functions relating to agricultural emergency response as provided for in this Article or elsewhere in the General Statutes shall not be civilly liable for the death of or injury to any person or the loss of or damage to the property of any persons where such death, injury, loss, or damage resulted from, through, or because of the use of the said real or personal property for any of the above purposes, provided that the use of said property is subject to the order or control of or pursuant to a request under the authority of this Article.

"§ 106-1039. Funding for agricultural emergency response.

In order to fully execute the authorities prescribed in this Article, the North Carolina Department of Agriculture may, at the discretion of the Commissioner, use any funds available to the Department which have been allocated by the General Assembly from the General Fund of the State, use of which is not otherwise restricted by law.

"§ 106-1040. Nondiscrimination in agricultural emergency response.

State and local governmental bodies and other organizations and personnel who carry out functions under the provisions of this Article shall do so in an equitable and impartial manner. Such State and local governmental bodies, organizations, and personnel shall not discriminate on the grounds of race, color, religion, nationality, sex, age, or economic status in the relief and assistance activities."

SECTION 2.(b) Article 1 of Chapter 166A of the General Statutes is amended by adding a new section to read:

"§ 166A-19.77A. Agricultural Emergency Response Teams authorized.

The Department of Agriculture and Consumer Services is designated as an emergency response agency for purposes of the following:

- (1) Deploying Agricultural Emergency Response Teams, as that term is defined in G.S. 106-1035, to respond to agriculture-related incidents.
- (2) Receipt of any applicable State or federal funding.
- (3) Training of other State and local agencies in agricultural emergency response.
- (4) Any other emergency response roles for which Agricultural Emergency Response Teams have special training or qualifications."

SECTION 2.(c) This section is effective when it becomes law.

ALLOW WILDLIFE MANAGEMENT AGENCIES TO CULL FERAL SWINE FROM AIRCRAFT

SECTION 3. Article 22 of Chapter 113 of the General Statutes is amended by adding a new section to read:

"§ 113-299. Aerial management of feral swine.

Notwithstanding G.S. 113-291.1(b)(1), employees of the Wildlife Resources Commission and employees of federal agencies whose responsibilities include fisheries and wildlife management, in the performance of such employees' official duties, may cull feral swine from aircraft, with the written permission of the landowner. However, no such activity shall occur in coastal counties, as defined in G.S. 113A-103(2) during waterfowl season."

DIRECT DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO INSPECT RENDERING PLANTS

SECTION 4.(a) G.S. 106-168.5 is repealed.

SECTION 4.(b) G.S. 106-168.6 reads as rewritten:

"§ 106-168.6. ~~Inspection by committee;~~ Inspection; certificate of specific findings.

~~The committee upon notification by~~ Upon receipt of an application for license, the Commissioner ~~or the Commissioner's designee~~ shall promptly inspect the plans, specifications, and selected site in the case of proposed rendering plants and shall inspect the buildings, grounds, and equipment of established rendering plants. If the ~~committee~~ Commissioner or the ~~Commissioner's designee~~ finds that the plans, specifications, and selected site in the case of proposed plants, or the buildings, grounds, and equipment in the case of established plants, comply with the requirements of this Article and the rules and regulations promulgated by the ~~Commissioner not inconsistent therewith, it~~ under the authority of this Article, the Commissioner shall certify ~~its the~~ findings in writing and forward same to the Commissioner writing. If there is a failure in any respect to meet such requirements, the ~~committee~~ Commissioner or the ~~Commissioner's designee~~ shall notify the applicant in writing of such deficiencies and ~~the committee shall~~ shall, within a reasonable time to be determined by the Commissioner ~~Commissioner~~, make a second inspection. If the specified defects are remedied, the ~~committee~~ Commissioner or the Commissioner's designee shall ~~thereupon~~ certify ~~its the~~ findings in writing to the ~~Commissioner writing~~. Not more than two inspections shall be required of the ~~committee~~ under any one application."

SECTION 4.(c) G.S. 106-168.7 reads as rewritten:

"§ 106-168.7. Issuance of license.

~~Upon receipt of the certificate of compliance from the committee,~~ certification in accordance with G.S. 105-168.6, the Commissioner shall issue a license to the applicant to conduct rendering operations as specified in the application. A license shall be valid until revoked for cause as hereinafter provided."

SECTION 4.(d) G.S. 106-168.12 reads as rewritten:

"§ 106-168.12. Commissioner authorized to adopt rules and regulations.

The Commissioner of Agriculture is hereby authorized to make and establish reasonable rules and regulations, ~~not inconsistent~~ consistent with the provisions of this Article, ~~after consulting the committee,~~ for the proper administration and enforcement thereof."

SECTION 4.(e) G.S. 106-168.13 reads as rewritten:

"§ 106-168.13. Effect of failure to comply.

Failure to comply with the provisions of this Article or rules and regulations ~~not inconsistent therewith~~ adopted pursuant to this Article shall be cause of revocation of license, if such failure shall not be remedied within a reasonable time after notice to the licensee. Any person whose license is revoked may reapply for a license in the manner provided in this Article for an initial application, except that the Commissioner shall not be required to cause the rendering plant and

1 equipment of the applicant to be inspected by the committee until the expiration of 30 days from
2 the date of revocation."
3

4 **REQUIRE TRAINING FOR APPOINTED AND ELECTED SOIL AND WATER** 5 **DISTRICT SUPERVISORS**

6 **SECTION 5.(a)** G.S. 139-4(d) reads as rewritten:

7 "(d) In addition to the duties and powers hereinafter conferred upon the Soil and Water
8 Conservation Commission, it shall have the following duties and powers:
9

10 ...

11 (13) To establish a training program required for all district supervisors."

12 **SECTION 5.(b)** Article 1 of Chapter 139 of the General Statutes is amended by
13 adding a new section to read:

14 **"§ 139-7.2. Training of elective and appointive district supervisors.**

15 (a) All district supervisors, whether elected or appointed, shall complete a minimum of six
16 clock hours of training annually.

17 (b) The training shall include soil, water, and natural resources conservation and the duties
18 and responsibilities of district supervisors.

19 (c) The training may be provided by the School of Government at the University of North
20 Carolina at Chapel Hill, or other qualified sources as approved by the Soil and Water
21 Conservation Commission."

22 **BOARD OF AGRICULTURE RULE-MAKING AUTHORITY FOR ANIMAL SHELTER** 23 **SUPPORT FUND**

24 **SECTION 6.(a)** G.S. 19A-67 reads as rewritten:

25 **"§ 19A-67. Animal Shelter Support Fund.**

26 (a) Creation. – The Animal Shelter Support Fund is established as a special fund in the
27 Department of Agriculture and Consumer Services. The Fund consists of appropriations by the
28 General Assembly or contributions and grants from public or private sources.

29 (b) Use. – The Fund shall be used by the Animal Welfare Section of the Department of
30 Agriculture and Consumer Services to reimburse local governments for expenses related to their
31 operation of a registered animal shelter due to any of the following:

32 (1) The denial, suspension, or revocation of the shelter's registration.

33 (2) An unforeseen catastrophic disaster at an animal shelter.

34 (c) Rules. – The ~~Animal Welfare Section~~ Board of Agriculture shall issue rules detailing
35 eligible expenses and application guidelines that comply with the requirements of this Article.

36 (d) Reversion. – Any appropriated and unencumbered funds remaining at the end of each
37 fiscal year in excess of two hundred fifty thousand dollars (\$250,000) shall revert to the General
38 Fund."

39 **SECTION 6.(b)** The Board of Agriculture may adopt temporary rules to administer
40 the Animal Shelter Support Fund in accordance with subsection (a) of this section.
41

42 **RULE-MAKING EXEMPTION FOR FOREST MANAGEMENT PLANS**

43 **SECTION 7.(a)** G.S. 150B-1(d) reads as rewritten:

44 **"§ 150B-1. Policy and scope.**

45 ...

46 (d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the
47 following:
48 ...

49 (26) The Board of Agriculture in the Department of Agriculture and Consumer
50 Services with respect to the following:

51 a. Annual admission fees for the State Fair.

b. Operating hours, admission fees, or related activity fees at State forests. The Board shall annually post the admission fee and operating hours schedule on its Web site and provide notice of the schedule, along with a citation to this section, to all persons named on the mailing list maintained pursuant to G.S. 150B-21.2(d).

c. Fee schedules for the preparation of forest management plans developed pursuant to G.S. 106-1004.

...."

SECTION 7.(b) G.S. 106-1004 reads as rewritten:

"§ 106-1004. Fees for forest management plans.

The Board of Agriculture shall establish ~~by rule~~ a schedule of fees for the preparation of forest management plans developed pursuant to this Chapter. The fees established by the Board shall not exceed the amount necessary to offset the costs of the Department of Agriculture and Consumer Services to prepare forest management plans."

ALLOW LOCAL PREFERENCE FOR SCHOOL FOOD PROCUREMENT

SECTION 8. Part 2 of Article 17 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-264.4. Local preference for produce in schools.

A local school board may develop and implement policies and procedures to facilitate and maximize to the extent practicable, purchases of food grown or raised in North Carolina, including, but not limited to, policies that permit a percentage price preference for the purpose of procuring food grown or raised within the State. As used in this section, "price percentage preference" means the percent by which a responsive bid from a responsible bidder whose product is grown or raised in North Carolina may exceed the lowest responsive bid submitted by a responsible bidder whose product is not grown or raised in North Carolina.

ALLOW CHORIONIC GONADOTROPIN INJECTIONS FOR VETERINARY USE

SECTION 9. G.S. 90-91 reads as rewritten:

"§ 90-91. Schedule III controlled substances.

This schedule includes the controlled substances listed or to be listed by whatever official name, common or usual name, chemical name, or trade name designated. In determining that a substance comes within this schedule, the Commission shall find: a potential for abuse less than the substances listed in Schedules I and II; currently accepted medical use in the United States; and abuse may lead to moderate or low physical dependence or high psychological dependence. The following controlled substances are included in this schedule:

...

(k) Anabolic steroids. The term "anabolic steroid" means any drug or hormonal substance, chemically and pharmacologically related to testosterone (other than estrogens, progestins, and corticosteroids) that promotes muscle growth, including, but not limited to, the following:

1. Methandrostenolone,
2. Stanozolol,
3. Ethylestrenol,
4. Nandrolone phenpropionate,
5. Nandrolone decanoate,
6. Testosterone propionate,
7. Chorionic gonadotropin,
8. Boldenone,
9. Chlorotestosterone (4-chlorotestosterone),
10. Clostebol,
11. Dehydrochlormethyltestosterone,

12. Dibydrotestosterone (4-dihydrotestosterone),
13. Drostanolone,
14. Fluoxymesterone,
15. Formebolone (formebolone),
16. Mesterolene,
17. Methandienone,
18. Methandranone,
19. Methandriol,
20. Methenolene,
21. Methyltestosterone,
22. Mibolerone,
23. Nandrolene,
24. Norethandrolene,
25. Oxandrolone,
26. Oxymesterone,
27. Oxymetholone,
28. Stanolone,
29. Testolactone,
30. Testosterone,
31. Trenbolone, and
32. Any salt, ester, or isomer of a drug or substance described or listed in this subsection, if that salt, ester, or isomer promotes muscle growth. Except such term does not include (i) an anabolic steroid which is expressly intended for administration through implants to cattle or other nonhuman species and which has been approved by the Secretary of Health and Human Services for such ~~administration~~ administration or (ii) chorionic gonadotropin when administered by injection for veterinary use by a licensed veterinarian or the veterinarian's designated agent. If any person prescribes, dispenses, or distributes such steroid for human use, such person shall be considered to have prescribed, dispensed, or distributed an anabolic steroid within the meaning of this subsection.

...."

EXTEND SUNSET FOR CONSTRUCTING CERTAIN RENEWABLE FUEL FACILITIES

SECTION 10. G.S. 105-129.16D(b) reads as rewritten:

"§ 105-129.16D. Credit for constructing renewable fuel facilities.

...

(b) Production Credit. – A taxpayer that constructs and places in service in this State a commercial facility for processing renewable fuel is allowed a credit equal to twenty-five percent (25%) of the cost to the taxpayer of constructing and equipping the facility. The entire credit may not be taken for the taxable year in which the facility is placed in service but must be taken in seven equal annual installments beginning with the taxable year in which the facility is placed in service. If, in one of the years in which the installment of a credit accrues, the facility with respect to which the credit was claimed is disposed of or taken out of service, the credit expires and the taxpayer may not take any remaining installment of the credit. The taxpayer may, however, take the portion of an installment that accrued in a previous year and was carried forward to the extent permitted under G.S. 105-129.17.

Notwithstanding subsection (d) of this section, this section is repealed effective for facilities placed in service on or after January 1, ~~2017~~2020, in the case of a taxpayer that meets both of the following conditions:

- (1) Signs a letter of commitment with the Department of Commerce on or before September 1, 2013, stating the taxpayer's intent to construct and place into service in this State a commercial facility for processing renewable fuel.
- (2) Begins construction of the facility on or before December 31, 2013."

ESTABLISH VOLUNTARY ASSESSMENT ON DEER FEED

SECTION 11. Chapter 106 of the General Statutes is amended by adding a new Article to read:

"Article 86.

"Farmed Cervid Industry Promotion Act.

"§ 106-1041. Title.

This Article shall be known as the Farmed Cervid Industry Promotion Act.

"§ 106-1042. Definitions.

As used in this Article:

- (1) "Association" means the North Carolina Deer and Elk Farmers Association.
- (2) "Cervid" means any member of the Cervidae family.
- (3) "Cervid farmer" means a person who (i) is a North Carolina resident and (ii) holds at least one cervid in captivity subject to a captivity license issued by the Department.
- (4) "Cervid feed" means any commercial feed, as defined in G.S. 106-284.33, labeled or marketed for cervid use.
- (5) "Department" means the Department of Agriculture and Consumer Services.
- (6) "Farmed cervid" means any member of the Cervidae family that is held in captivity and produced, bought, or sold for commercial purposes.

"§ 106-1043. Referendum.

(a) The Association may conduct a referendum among cervid farmers upon the question of whether an assessment shall be levied consistent with this Article.

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

- (1) The amount of the proposed assessment, not to exceed four dollars (\$4.00) per ton of cervid feed.
- (2) The period for which the assessment shall be levied, not to exceed 10 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 cervid farmers are eligible to vote in the referendum. The Association shall send press releases about the referendum to at least 10 daily and 10 weekly or biweekly newspapers having general circulation in a county in the State and to any trade journals deemed appropriate by the Association. Notice of the referendum also shall be posted in every place the Association identifies as selling cervid feed. Any questions concerning eligibility to vote shall be resolved by the board of directors of the Association.

"§ 106-1044. Majority vote required; collection of assessment.

(a) The assessment shall not be collected unless a majority of the votes cast in the referendum are in favor of the assessment. If a majority of the votes cast in the referendum are in favor of the assessment, the Department shall notify all cervid feed manufacturers and distributors of the assessment. The assessment shall apply to all cervid 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 cervid feed on which the assessment has not been paid shall report these purchases and pay the assessment to the Department.

(b) The Association may bring an action to collect unpaid assessments against any feed manufacturer or distributor who fails to pay the assessment.

"§ 106-1045. Use of funds; refunds.

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

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

EXCLUDE CERTAIN MINOR REPAIRS FROM BUILDING PERMIT REQUIREMENTS

SECTION 13.(a) G.S. 143-138 reads as rewritten:

"§ 143-138. North Carolina State Building Code.

...

(b5) Exclusion for Certain Minor Activities in Residential and Farm Structures. – No building-permit shall be required under the Code or any local variance thereof approved under subsection (e) for any construction, installation, repair, replacement, or alteration performed in accordance with the current edition of the North Carolina State Building Code and costing fifteen thousand dollars (\$15,000) or less in any single family residence or farm building unless the work involves: the-involves any of the following:

(1) The addition, repair, or replacement of load bearing structures; the-structures. However, no permit is required for replacements of windows, doors, exterior siding, or the pickets, railings, stair treads, and decking of porches and exterior decks that otherwise meet the requirements of this subsection.

(2) The addition (excluding replacement of same capacity) or change in the design of plumbing; the-plumbing. However, no permit is required for replacements otherwise meeting the requirements of this subsection that do not change size or capacity.

(3) The addition, replacement or change in the design of heating, air conditioning, or electrical wiring, devices, fixtures (excluding repair or replacement of electrical lighting devices and fixtures of the same type), appliances (excluding replacement of water heaters, provided that the energy use rate or thermal input is not greater than that of the water heater which is being replaced, and there is no change in fuel, energy source, location, capacity, or routing or sizing of venting and piping), appliances, or equipment, the-equipment.

(4) The use of materials not permitted by the North Carolina Uniform Residential Building Code; or the Residential Code for One- and Two-Family Dwellings.

(5) The addition (excluding replacement of like grade of fire resistance) of roofing.

~~The exclusions from building permit requirements set forth in this paragraph for electrical lighting devices and fixtures and water heaters shall apply only to work performed on a one or two family dwelling. In addition, exclusions for electrical lighting devices and fixtures and electric water heaters shall apply only to work performed by a person licensed under G.S. 87-43 and exclusions for water heaters, generally, to work performed by a person licensed under G.S. 87-21.~~

(b6) No State Agency Permit. – No building-permit shall be required under such-the Code from any State agency for the construction of any building or structure, the total cost of which is less than twenty thousand dollars (\$20,000), except public or institutional buildings.

...

(b10) Replacement Water Heaters. –

(1) Exclusion. – No permit shall be required under the Code or any local variant approved under subsection (e) of this section for replacement of water heaters in one- or two-family dwellings, provided (i) the energy use rate or thermal input is not greater than that of the water heater which is being replaced, and there is no change in fuel, energy source, location, capacity, or routing or sizing of venting and piping, (ii) the work is performed by a person or employee of a company licensed under G.S. 87-21 or pursuant to G.S. 87-21(i), and (iii) the replacement is installed in accordance with the current edition of the North Carolina State Building Code.

(2) Energy efficiency. – The Code may contain rules concerning minimum efficiency requirements for replacement water heaters, which shall consider reasonable availability from manufacturers to meet installation space requirements and may contain rules concerning energy efficiency that require all hot water plumbing pipes that are larger than one-fourth of an inch to be insulated.

...
(b14) ~~[Exclusion for Routine Maintenance. –]~~ Exclusion for Routine Maintenance of Pumps and Dispensers. – No building permit shall be required under the Code or any local variant approved under subsection (e) of this section for routine maintenance on fuel dispensing pumps and other dispensing devices. For purposes of this subsection, "routine maintenance" includes repair or replacement of hoses, O-rings, nozzles, or emergency breakaways.

...
(b16) Exclusion for Electrical Devices and Lighting Fixtures. – No permit shall be required under the Code or any local variant approved under subsection (e) of this section for the repair or replacement of dishwashers, disposals, water heaters, electrical devices, or lighting fixtures in residential or commercial structures, provided that all of the following apply:

(1) The repair or replacement does not require the addition or relocation of electrical wiring.

(2) The work is performed by a person or employee of a company licensed under G.S. 87-43.

(3) The repair or replacement is performed in accordance with the current edition of the North Carolina State Building Code.

...."

SECTION 13.(b) G.S. 153A-357 reads as rewritten:
"§ 153A-357. Permits.

...
(a2) No permit issued under Articles 9 or 9C of G.S. Chapter 143 shall be required for any construction, installation, repair, replacement, or alteration performed in accordance with the current edition of the North Carolina State Building Code and costing fifteen thousand dollars (\$15,000) or less in any single-family residence or farm building unless the work involves: the involves any of the following:

(1) The addition, repair or replacement of load bearing structures; the structures. However, no permit is required for replacements of windows, doors, exterior siding, or the pickets, railings, stair treads, and decking of porches and exterior decks.

(2) The addition (excluding replacement of same size and capacity) or change in the design of plumbing; the plumbing. However, no permit is required for replacements otherwise meeting the requirements of this subsection that do not change size or capacity.

- (3) The addition, replacement or change in the design of heating, air conditioning, or electrical wiring, devices, appliances, or equipment; ~~the equipment, other than like-kind replacement of electrical devices and lighting fixtures.~~
- (4) The use of materials not permitted by the North Carolina ~~Uniform Residential Building Code; or the Residential Code for One- and Two-Family Dwellings.~~
- (5) The addition (excluding replacement of like grade of fire resistance) of roofing.
- ~~Violation of this section constitutes a Class 1 misdemeanor.~~

...
(g) Violation of this section constitutes a Class 1 misdemeanor."

SECTION 13.(c) G.S. 160A-417 reads as rewritten:

"§ 160A-417. Permits.

...
(a2) No permit issued under Articles 9 or 9C of Chapter 143 shall be required for any construction, installation, repair, replacement, or alteration performed in accordance with the current edition of the North Carolina State Building Code and costing fifteen thousand dollars (\$15,000) or less in any single family residence or farm building unless the work involves: the involves any of the following:

- (1) The addition, repair or replacement of load bearing ~~structures; the structures.~~ However, no permit is required for replacements of windows, doors, exterior siding, or the pickets, railings, stair treads, and decking of porches and exterior decks.
- (2) The addition (~~excluding replacement of same size and capacity~~) or change in the design of ~~plumbing; the plumbing.~~ However, no permit is required for replacements otherwise meeting the requirements of this subsection that do not change size or capacity.
- (3) The addition, replacement or change in the design of heating, air conditioning, or electrical wiring, devices, appliances, or ~~equipment; the equipment, other than like-kind replacement of electrical devices and lighting fixtures.~~
- (4) The use of materials not permitted by the North Carolina ~~Uniform Residential Building Code; or the Residential Code for One- and Two-Family Dwellings.~~
- (5) The addition (excluding replacement of like grade of fire resistance) of roofing.
- ~~Violation of this section constitutes a Class 1 misdemeanor.~~

...
(f) Violation of this section constitutes a Class 1 misdemeanor."

SECTION 13.(d) This section becomes effective October 1, 2016.

EXEMPT HORTICULTURAL USES FROM THE SEDIMENTATION POLLUTION CONTROL ACT

SECTION 14. G.S. 113A-52.01 reads as rewritten:

"§ 113A-52.01. Applicability of this Article.

This Article shall not apply to the following land-disturbing activities:

- (1) Activities, including the ~~breeding and grazing of livestock, production and activities relating or incidental to the production of crops, grains, fruits, vegetables, ornamental and flowering plants, dairy, livestock, poultry, and all other forms of agriculture undertaken on agricultural land for the production of plants and animals useful to man, including, but not limited to:~~
- Forages and sod crops, grains and feed crops, tobacco, cotton, and peanuts.
 - Dairy animals and dairy products.
 - Poultry and poultry products.

- 1 d. Livestock, including beef cattle, llamas, sheep, swine, horses, ponies,
2 mules, and goats.
3 e. Bees and apiary products.
4 f. Fur producing animals.
5 g. Mulch, ornamental plants, and other horticultural products. For purposes
6 of this section, "mulch" means substances composed primarily of plant
7 remains or mixtures of such substances.

- 8 (2) Activities undertaken on forestland for the production and harvesting of timber
9 and timber products and conducted in accordance with best management
10 practices set out in Forest Practice Guidelines Related to Water Quality, as
11 adopted by the Department.
12 (3) Activities for which a permit is required under the Mining Act of 1971, Article
13 7 of Chapter 74 of the General Statutes.
14 (4) For the duration of an emergency, activities essential to protect human life,
15 including activities specified in an executive order issued under
16 G.S. 166A-19.30(a)(5).
17 (5) Activities undertaken to restore the wetland functions of converted wetlands to
18 provide compensatory mitigation to offset impacts permitted under Section 404
19 of the Clean Water Act.
20 (6) Activities undertaken pursuant to Natural Resources Conservation Service
21 standards to restore the wetlands functions of converted wetlands as defined in
22 Title 7 Code of Federal Regulations § 12.2 (January 1, 2014 Edition)."
23

24 **CLARIFY ELIGIBILITY FOR EXPANDED GAS PRODUCTS SERVICE TO**
25 **AGRICULTURE FUND**

26 **SECTION 15.** G.S. 143B-437.020(a) reads as rewritten:

27 **"§ 143B-437.020. Natural gas and propane gas for agricultural projects.**

28 (a) Definitions. –

- 29 (1) Agriculture. – Activities defined in G.S. 106-581.1, whether performed on or
30 off the farm.
31 (2) Repealed by Session Laws 2014-100, s. 15.13(a), effective July 1, 2014.
32 (3) Eligible project. – A discrete and specific economic development project ~~that~~
33 ~~would expand for an agricultural production operation or agricultural processing~~
34 ~~capabilities facility that requires new or expanded requests~~ natural gas or
35 propane gas service. A project intended for the purpose of commercial resale of
36 natural gas or propane gas shall not be an eligible project.
37 (4) Excess infrastructure costs. – Any project carrying costs incurred by a natural
38 gas local distribution company to provide new or expanded natural gas service
39 to an eligible project that exceed the income the infrastructure generates for the
40 local natural gas distribution company, including any standard rates, special
41 contract rates, minimum margin agreements, and contributions in aid of
42 construction collected by the natural gas local distribution company.
43 (5) Project carrying costs. – All costs, including depreciation, taxes, operation and
44 maintenance expenses, and, for a natural gas local distribution company, a
45 return on investment equal to the rate of return approved by the Utilities
46 Commission in the natural gas local distribution company's most recent general
47 rate case under G.S. 62-133.
48 (6) Secretary. – The Secretary of Commerce."
49

50 **REQUIRE WRITTEN NOTICE OF AUTOMATIC CONTRACT RENEWAL FIFTEEN**
51 **TO FORTY-FIVE DAYS PRIOR TO THE AUTOMATIC RENEWAL**

SECTION 16.(a) G.S. 75-41 reads as rewritten:

"§ 75-41. **Contracts with automatic renewal clauses.**

(a) Any ~~person, firm, or corporation~~ person engaged in commerce that sells, leases, or offers to sell or lease, any products or services to a consumer pursuant to a contract, where the contract automatically renews unless the consumer cancels the contract, shall ~~disclose~~ do all of the following:

(1) Disclose the automatic renewal clause clearly and conspicuously in the contract or contract offer.

(b) ~~Any person, firm, or corporation engaged in commerce that sells, leases, or offers to sell or lease, any products or services to a consumer pursuant to a contract, where the contract automatically renews unless the consumer cancels the contract, shall disclose~~

(2) Disclose clearly and conspicuously how to cancel the contract in the initial contract, contract offer, or with delivery of products or services.

(3) For any automatic renewal exceeding 60 days, provide written notice to the consumer by personal delivery, electronic mail, or first-class mail, at least 15 days but no earlier than 45 days before the date the contract is to be automatically renewed, stating the date on which the contract is scheduled to automatically renew and notifying the consumer that the contract will automatically renew unless it is cancelled by the consumer prior to that date.

(4) If the terms of the contract will change upon the automatic renewal of the contract, disclose the changing terms of the contract clearly and conspicuously on the notification in at least 12 point type and in bold print.

(c) A ~~person, firm, or corporation~~ person that fails to comply with the requirements of this section is in violation of this section unless the ~~person, firm, or corporation~~ person demonstrates that all of the following are its routine business practice:

(1) ~~It~~ The person has established and implemented written procedures to comply with this section and enforces compliance with the procedures.

(2) Any failure to comply with this section is the result of error.

(3) Where an error has caused the failure to comply with this section, ~~it~~ the person provides a full refund or credit for all amounts billed to or paid by the consumer from the date of the renewal until the date of the termination of the contract, or the date of the subsequent notice of renewal, whichever occurs first.

(d) This section does not apply to insurers licensed under Chapter 58 of the General Statutes, or to banks, trust companies, savings and loan associations, savings banks, or credit unions licensed or organized under the laws of any state or the United States, or any foreign bank maintaining a branch or agency licensed under the laws of the United States, or any subsidiary or affiliate thereof, nor does this section apply to any entity subject to regulation by the Federal Communications Commission under Title 47 of the United States Code or by the North Carolina Utilities Commission under Chapter 62 of the General Statutes, or to any entity doing business directly or through an affiliate pursuant to a franchise, license, certificate, or other authorization issued by a political subdivision of the State or an agency thereof.

(e) A violation of this section renders the automatic renewal clause void and unenforceable."

SECTION 16.(b) This section is effective when it becomes law and applies to contracts entered into on or after that date.

AUTHORIZE CERTIFIED WELL DRILLERS TO INSTALL CERTAIN WATER PIPES AND ELECTRICAL WIRING IN A SINGLE DITCH

SECTION 17.(a) G.S. 87-97 reads as rewritten:

"§ 87-97. **Permitting, inspection, and testing of private drinking water wells.**

(b1) Permit to Include Authorization for Piping and Electrical. – When a permit is issued under this section, ~~that the local health department shall be responsible for notifying the appropriate building inspector of the issuance of the well permit. A permit issued under this section shall also be deemed to include authorization for the for all of the following:~~

- (1) The installation, construction, maintenance, or repair of electrical wiring, devices, appliances, or equipment by a person certified as a well contractor under Article 7A of this Chapter when running electrical wires from the well pump to the pressure switch. The local health department shall be responsible for notifying the appropriate building inspector of the issuance of the well permit.
- (2) The installation, construction, maintenance, or repair of water pipes by a person certified as a well contractor under Article 7A of this Chapter when running water pipes from the well to the water tank.
- (3) The installation of both water pipes and electrical wiring in a single ditch by a person certified as a well contractor under Article 7A of this Chapter when running electrical wires from the well pump to the pressure switch and water pipes from the well to the water tank. The ditch shall be as deep as the minimum cover requirements for either electrical wiring or water pipes, whichever is greater.

This subsection shall not be interpreted to prohibit any person licensed by an independent occupational licensing board from performing any authorized services within the scope of practice of the person's license.

...."

SECTION 17.(b) The Building Code Council shall amend the State Electrical Code and the State Plumbing Code consistent with this section.

SECTION 17.(c) This section becomes effective October 1, 2016.

PRIORITIZE SWINE AND POULTRY RENEWABLE ENERGY FACILITIES IN THE INTERCONNECTION QUEUE

SECTION 18.(a) An electric public utility that has received a request to interconnect to the public utility's distribution system from a renewable energy facility that meets all of the following requirements shall move that request to the front of the respective study queue relative to all other pending valid interconnection requests:

- (1) The facility is fueled by only swine or only poultry waste, or is fueled solely by a combination of swine and poultry waste.
- (2) Prior to May 21, 2016, the facility has (i) entered into the interconnection queue and (ii) either obtained a certificate of public convenience and necessity under G.S. 62-110.1(a) or reported to the Utilities Commission that it proposes to construct the facility under G.S. 62-110.1(g).

SECTION 18.(b) Notwithstanding subsection (a) of this section, a renewable energy facility that meets the requirements of this section shall not be moved in front of an interconnection request that has either (i) initiated the system impact study process, or (ii) received a system impact study report and is continuing through the interconnection process.

SECTION 18.(c) Any prioritization of a renewable energy facility granted pursuant to this section shall be based on original queue numbers, and the facility shall otherwise comply with the North Carolina Interconnection Standard approved by the Commission.

SECTION 18.(d) This section is effective when it becomes law and expires on January 1, 2017.

EFFECTIVE DATE AND SEVERABILITY CLAUSE

- 1 **SECTION 19.(a)** If any provision of this act or its application is held invalid, the
2 invalidity does not affect other provisions or applications of this act that can be given effect
3 without the invalid provisions or application, and to this end, the provisions of this act are
4 severable.
5 **SECTION 19.(b)** Except as otherwise provided, this act is effective when it becomes
6 law.



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 770*

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

S770-ATQ-95 [v.2]

Page 1 of 1

Amends Title [NO]
S770-CSTQxf-56 [v.2]

Date _____, 2016

Representative Bradford

- 1 moves to amend the bill on page 11, line 5, by deleting the word "capacity".
2
3

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

TABLED



* S 7 7 0 - A T Q - 9 5 - V - 2 *



SENATE BILL 770: NC Farm Act of 2016.

2016-2017 General Assembly

Committee: House Agriculture
Introduced by: Sens. B. Jackson, Brock, Cook
Analysis of: PCS to Fifth Edition
S770-CSTQxf-56 [v.2]

Date: June 28, 2016
Prepared by: Chris Saunders
Committee Counsel

SUMMARY: *The Proposed Committee Substitute (PCS) to Senate Bill 770 would make various changes to agricultural, wildlife, taxation, Building Code, and other laws. The PCS would make the following changes from the Fifth Edition and version 1 of this PCS, which was heard on June 23:*

- *In Section 16, requires notice of an automatically renewing contract to be given would be given no sooner than 45 days and no later than 15 days before the renewal. The Fifth Edition would have required notice to be given no sooner than 30 days and no later than 15 days before the renewal.*
- *In Section 11, makes the assessment on cervid feed applicable to all cervid feed, rather than farmed cervid feed only.*
- *Deletes Section 12, which would have exempted agricultural and silvicultural operations from water withdrawal permitting in capacity use areas.*
- *In Section 14, clarifies specific agricultural activities that are exempt from the Sedimentation Pollution Control Act.*
- *Adds Section 18, which would give priority to certain swine and poultry waste renewable energy facilities in the public utility's interconnection queue.*

[As introduced, this bill was identical to H993, as introduced by Reps. Brody, Dixon, Langdon, Steinburg, which is currently in House Agriculture.]

CURRENT LAW AND BILL ANALYSIS:

Section 1 of the PCS would grant the Department of Agriculture and Consumer Services (DACS) several new powers to enforce the DACS bedding sanitation program. This section would grant DACS the authority to detain or embargo bedding products suspected of being adulterated or misbranded, and allow DACS to petition for the products to be condemned. This section would also authorize the Commissioner of Agriculture (Commissioner) to petition the superior court for an injunction and assess a civil penalty of not more than \$2,500 against a person in violation of the bedding laws. This section would also make a violation of the bedding laws a Class 2 misdemeanor.

This section would become effective December 1, 2016, and would apply to offenses committed on or after that date.

Section 2 would authorize DACS to appoint and deploy agricultural emergency response teams (AERTs) to respond to agricultural emergencies. AERTs would be employees of DACS and personnel operating with DACS as a contracted service, whom the Commissioner designates to respond to

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

Senate PCS 770

Page 2

agricultural emergencies. AERTs would have the same immunity from liability in responding to agricultural emergencies as other emergency response agencies covered by the North Carolina Emergency Management Act. DACS would be authorized to use any unrestricted funds available to it that have been allocated by the General Assembly from the General Fund.

Section 3 would authorize employees of the Wildlife Resources Commission and employees of federal agencies whose responsibilities include fisheries and wildlife management, such as the Animal and Plant Health Inspection Service of the United States Department of Agriculture (USDA-APHIS), to cull feral swine from aircraft with the written permission of the landowner. This activity would be prohibited in coastal counties during waterfowl season.

Section 4 would eliminate the rendering plant inspection committee, which is composed of an employee of DACS, an employee of the Department of Health and Human Services, and a person having practical knowledge of rendering operations, and direct the Commissioner or the Commissioner's designee to inspect rendering operations.

Section 5 would require that both elected and appointed soil and water district supervisors annually receive six hours of training in soil, water, and natural resources conservation and the duties and responsibilities of district supervisors.

Section 6 would direct the Board of Agriculture, rather than the Animal Welfare Section of DACS, to adopt rules detailing eligible expenses and application guidelines for the Animal Shelter Support Fund ("Fund"). The Animal Welfare Section does not have rulemaking authority. This section would also give the Board of Agriculture temporary rulemaking authority to administer the Fund.

Section 7 would exempt the Board of Agriculture from the rulemaking requirements of the Administrative Procedure Act with respect to the adoption of fee schedules for the preparation of forest management plans by the North Carolina Forest Service.

Section 8 would allow local school boards to develop and implement policies to facilitate and maximize purchases of food grown or raised in North Carolina, including policies that allow a percentage price preference for the purpose of procuring food grown or manufactured within the State. The federal Food, Conservation, and Energy Act of 2008 authorized institutions receiving funds under the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to use a geographic preference for procurement of local unprocessed agricultural products (Public Law No. 110-234, Section 4302).

Section 9 would create an exemption for chorionic gonadotropin from the list of Schedule III controlled substances when administered by injection for veterinary use by a licensed veterinarian or the veterinarian's designated agent.

Section 10 would extend the sunset for the production credit for commercial facilities for processing renewable fuel from January 1, 2017 to January 1, 2020.

Section 11 would create a voluntary assessment on cervid feed to be administered by the North Carolina Deer and Elk Farmers Association ("Association"), not to exceed four dollars (\$4.00) per ton of cervid feed. The assessment may not be levied for a period longer than ten years. All funds paid into the assessment are refundable upon written request to the Association.

Section 13 would provide that no permit is required to conduct any construction, installation, repair, replacement, or alteration activities costing \$15,000 or less in residential and farm structures if the work is performed in accordance with the current edition of the North Carolina State Building Code and involves:

Senate PCS 770

Page 3

- Replacements of windows; doors; exterior siding; or pickets, railings, stair treads, and decking of porches and exterior decks.
- Plumbing replacements that do not change size or capacity.
- Replacement of roofing.

This section would further provide that no permit is required for:

- Replacement of water heaters in one- or two-family dwellings, if (1) the energy use or thermal input does not exceed that of the water heater being replaced and there is no change in fuel, energy source, location, capacity, or routing or sizing of venting and piping, and (2) the work is performed by a person or employee of a company licensed by the State Board of Examiners of Plumbing, Heating, and Fire Sprinkler Contractors.
- Repair or replacement of dishwashers, disposals, electrical devices, or lighting fixtures in residential or commercial structures, if (1) the repair or replacement does not require addition or relocation of additional electrical wiring, and (2) the work is performed by a person or employee of a company licensed by the State Board of Examiners of Electrical Contractors.

This section would also provide that no permit is required, either under the State Building Code or any local variant, for routine maintenance of fuel dispensing pumps and other dispensing devices.

This section would become effective October 1, 2016.

Section 14 would exempt production and activities relating or incidental to the production of crops, grains, fruits, vegetables, ornamental and flowering plants, dairy, livestock, poultry, and all other forms of agriculture, including the production of mulch, ornamental plants, sod, and other horticultural products, from the Sedimentation Pollution Control Act.

Section 15 would modify the eligibility requirements for the Expanded Gas Products Service to Agriculture Fund by providing that an eligible project is a project for an agricultural operation or agricultural processing facility that requests natural gas or propane gas service. Under current law, an eligible project must expand the agricultural or processing capabilities of the facility.

Section 16 would make an automatic contract renewal for the sale, lease of products or services for a term exceeding 60 days void and unenforceable unless the consumer is given written notice that the contract will automatically renew if the consumer does not cancel it, and would require the notice to be given no sooner than 45 days and no later than 15 days before the renewal. This section would (i) limit the notice requirement to automatic renewals for periods exceeding 60 days, (ii) provide for notice by personal delivery, electronic mail or first-class mail, and (iii) exclude entities regulated by the Federal Communications Commission under federal law, by the N.C. Utilities Commission under State law, or doing business under authorization issued by a political subdivision of the State or any agency thereof. These exclusions would be in addition to entities excluded under current law, including insurers licensed under Chapter 58 of the General Statutes, banks, trust companies, savings and loan associations, savings banks, and credit unions licensed or organized under the laws of any state or the United States, and any foreign bank maintaining a branch or agency licensed under the laws of the United States, or any subsidiary or affiliate thereof.

This section would become effective when it becomes law, and would apply to contracts entered into on or after that date.

Section 17 would authorize certified well contractors to install both water pipes and electrical wiring in a single ditch when running electrical wires from the well pump to the pressure switch and water pipes

Senate PCS 770

Page 4

from the well to the water tank. The ditch must be as deep as the deepest applicable minimum cover requirement for the electrical wiring or water pipes. This section would also direct the Building Code Council to amend the State Electrical Code and the State Plumbing Code consistent with this section.

This section would become effective October 1, 2016.

Section 18 would give priority to swine and poultry waste renewable energy facilities in the public utility's interconnection queue, provided that prior to May 21, 2016, the facility has (i) entered into the interconnection queue and (ii) either obtained a certificate of public convenience and necessity under G.S. 62-110.1(a) or reported to the Utilities Commission that it proposes to construct the facility under G.S. 62-110.1(g). Any such facility would not be moved ahead of an interconnection request that has either (i) initiated the system impact study process, or (ii) received a system impact study report and is continuing through the interconnection process.

This section would be effective when it becomes law, and would expire on January 1, 2017.

Section 19 contains a severability clause.

EFFECTIVE DATE: Except as otherwise provided, this act would become effective when it becomes law.



Below are highlights of Carolina Cellulosic Biofuels, LLC project being developed by Chemtex International, Inc.

Activity Level: Very active, the Sampson County Economic Development Commission is working with Chemtex weekly, sometimes daily, on various aspects of this project.

Infrastructure: Chemtex, Sampson County and the City of Clinton have worked with State of North Carolina and U.S. federal sources and have obtained the below commitments in support of Water, Waste Water, NC-24 and Rail infrastructure improvements to make this site work for this project.

\$ 1,750,000	-	U.S. Economic Development Administration.....	Water / Waste Water
650,000	-	NCDOC: NC Rural Infrastructure Authority.....	Water / Waste Water
780,000	-	NCDOC: CDBG-ED.....	Rail
750,000	-	NCDOC: Industrial Development Fund.....	Rail
95,000	-	NCDOT: Rail Division.....	Rail
303,651	-	NCDOT: Division 3.....	NC-24
<u>+ 450,000</u>	-	Golden Leaf Foundation.....	NC-24
\$ 4,778,651	-	Total of State & Federal Infrastructure Grants for Project	

Work Completed: Below are examples of some of the work completed on this project.

Feedstock Under Contract

- 9,000+ acres within region under contract to grow this production plants feedstock.
- 100% of required fiber feedstock for plants first year of production is under contract.

Water & Waste Water Infrastructure Improvements

The City of Clinton has awarded a construction contract to begin the installation of portions of these water system improvements during the second week of July 2016.

NC-24 Highway Improvements

Portions of the work to widen NC-24 along the sites frontage have been completed by NCDOT. The remainder of this work, paving, will be completed after the facilities on-site construction has been completed to minimize damage by this production facility's construction traffic.

Site Analysis

Sampson County and Chemtex have completed the below site evaluations.

- | | |
|-----------------------------|---|
| - Geotechnical | - Archeological / Historical Review |
| - Endangered Species Review | - Wetlands Jurisdictional Determination |
| - Railroad Pre- Engineering | - Phase 1&2 Environmental Site Assessment |

Local Incentives: \$ 3,278,966 - Sampson County Incentives Approved

The Sampson County Board of Commissioners have approved Grant Back Incentives totaling \$ 3,278,966 to be paid during years 1-10 of this plant's operations.

Regional Benefits:

65	-	Direct Hire Employees.....	Carolina Cellulosic Biofuels, LLC
\$ 48,415	-	Average Annual Salary of Direct Hire Employees	
250	-	Regional Indirect Jobs (primarily feedstock cultivation, harvesting & transportation)	
\$ 174,000,000	-	Taxable Investment (estimated)	
\$ 6,400,000	-	Tax Revenues to Sampson County: total years 1-10 / after county incentives provided	
\$ 12M to \$ 15M	-	Annual Regional Purchase by Plant	



Chemtex Cellulosic Ethanol Project in Sampson County, Clinton NC Carolina Cellulosic Biofuels, LLC

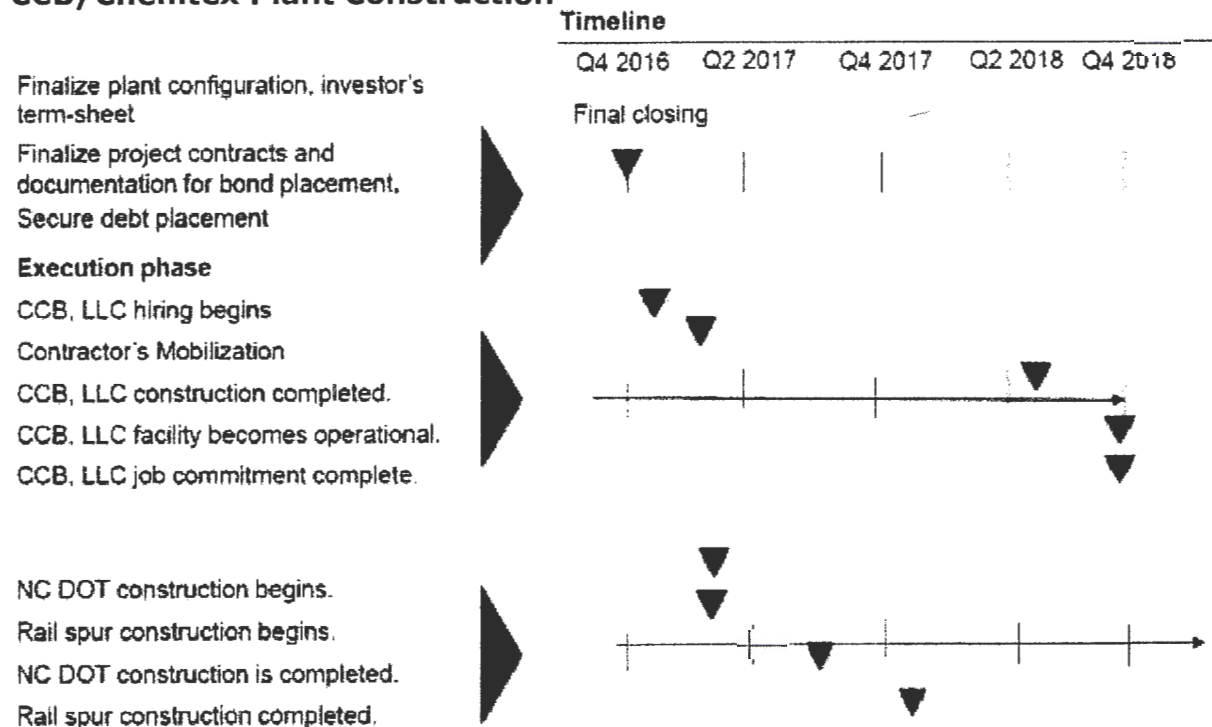
CONFIDENTIAL

Chemtex and partners are prepared to erect Carolina Cellulosic Biofuels, LLC (CCB) near Clinton NC in Sampson County to produce cellulosic ethanol from NC grown grasses (nonfood crops), residuals and wood chips. In preparation for this first U.S. plant, Biochemtex has optimized process operations at its commercial facility in Crescentino Italy and secured more than 650,000 tons of biomass as feedstock from eastern NC farms and forestry operations. Biochemtex and partners are now prepared for "steel in the ground" plant construction of Carolina Cellulosic Biofuels during the 4th quarter of 2016 or shortly thereafter.

Eastern NC Biomass Feedstock Supply – Over 650,000 tons/yr Secured

- Purpose Grown Energy Crops - Switchgrass, Biomass Sorghum and Miscanthus are nonfood crops grown on marginal, lower value acreage.
 - ✓ More than 9,500 plus acres of eastern NC sandy soil lands are under contract to CCB/Chemtex for mixed supply of purpose grown energy crops
 - ✓ More than 800 eastern NC sandy soil acres have already been planted in switchgrass, miscanthus and biomass sorghum under supply contract to CCB/Chemtex in preparation for new plant construction and startup.
- Crop Residuals - To date, 50,000 tons of wheat straw and corn stover (crop residuals) are under term-sheet agreement for supply to CCB/Chemtex
- Hardwood Chips - To date, more than 340,000 tons of eastern North Carolina hardwood chips are under term-sheet agreement for supply to CCB/Chemtex

CCB/Chemtex Plant Construction





Committee Sergeants at Arms

NAME OF COMMITTEE House Committee On Agriculture

DATE: 06/28/2016

Room: 643

House Sgt-At Arms:

1. Name: Warren Hawkins
2. Name: Doug Harris
3. Name: Malachi McCullough, Jr.
4. Name: Joseph Crook
5. Name: _____

Senate Sgt-At Arms:

1. Name: _____
2. Name: _____
3. Name: _____
4. Name: _____
5. Name: _____



HOUSE PAGES (Agriculture)

Week of June 27-30, 2016

Name:	County:	Sponsor:
Aliena Battista	Carteret	Rep. Pat McElraft
Addison Butler	Rockingham	Rep. Bert Jones
Erin Vogt	Wake	Rep. Gary H. Pendleton
Sara Watson	Columbus	Rep. Ken Waddell



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House Committee On Agriculture
Name of Committee

06/28/2016
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

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Chris Wall	PG
Tim M... ..	NCHBA
ROBERT PRIVOTI	NCHBA
STEVEN WEBB	NCHBA
Cassie Gann	Sena Club
John S... ..	Sampson County Economic Dev
MARK CAMON	BIOCHEMTEX
JOHN COOPER	CCS
Peter Daniel	CCS
Orin G... ..	Low Off y R... ..
Heather D... ..	Mich



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House Committee On Agriculture
Name of Committee

06/28/2016
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Phoebe Landon	mmc
Vanessa Waller	American Rivers
Hayes Finley	Manies Kelley Law
Tonya Horton	TSS
Peter Rasbe	American Rivers
Emily Seavels	Rep Dixon's office
Stephen Kouba	CS
Molly Hass	San. Brink
Matthew Starr	Riverkeeper
May Maile Ables	Stc



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06/28/2016
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Cady Thomas	Focus Carolina
Lexi Arthur	NCKMA
Elizabeth Robinson	NCKMA
Sue Ann Forest	NKICU
Sarah Collins	NCLM
Kelli Kukura	Duke Energy
Sarah McQueen	SSONK
Amy Wasser	SA
Rochelle Spauld	CFSA



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Name of Committee

06/28/2016
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RESTO HERNANDEZ	NCMA
Doug Lassiter	NCLSTA
Paul Johnson	HIGAC
Betsy McCorkle	SSGAC
Donna Clark	WICBG
Joy Hildes	NCDACS
Joe Hudyncia	NCDACS
Annex Oxendine	DAL'S
Allison Pitts	NCDACS
Rebecca Elkins	CFSA

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NATALYA ARCS

ESSENC
NCSLP



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House Committee On Agriculture
Name of Committee

06/28/2016
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Rob Hamme	TLA
Butch Gurrel	NLBR
Paul Sherman	NLFB
JAKE PARKER	NLFB
Henry Jones	Jordan Price, etc.
Tim	
Robert Josey	PSNC UC
Dianna Downey	PSNCUC
James McLawhorn	PSNCUC
Jackson Garcia	CCS



VISITOR REGISTRATION SHEET

House Committee On Agriculture
Name of Committee

06/28/2016
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Hugh Johnson

Nei

Philip Ester

W. A. R. C.

Brooks Raine Pearson

SFLC

DANIEL GORDAN

NC HFA

