

2017-2018

**HOUSE
AGRICULTURE**

MINUTES

HOUSE COMMITTEE ON Agriculture
2017 SESSION



Rep. Mark Brody, Chairman



Rep. Jimmy Dixon, Chairman



Rep. Bob Steinburg, Chairman



Rep. William Brisson, Vice Chair



Rep. Rena Turner, Vice Chair





Rep. John Ager



Rep. John Bell



Rep. Larry Bell



Rep. Beverly Boswell



Rep. Cecil Brockman



**Rep. George
Cleveland**



Rep. Andy Dulin



**Rep. Charles
Graham**



**Rep. George
Graham**



**Rep. Howard J.
Hunter III**



Rep. Bert Jones



**Rep. Brenden H.
Jones**



Rep. David R. Lewis



Rep. Susan Martin



**Rep. Michele D.
Presnell**



**Rep. Robert T.
Rieves, II**



Rep. Dennis Riddell



**Rep. Larry C.
Strickland**



**Rep. Larry
Yarborough**



Rep. Lee Zachary



HOUSE COMMITTEE ON AGRICULTURE 2017

<u>MEMBER</u>	<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>	<u>SEAT</u>
<u>Chairs</u>				
Jimmy Dixon	Michael Wiggins	715-3021	2226	18
Mark Brody	Neva Helms	715-3029	2219	62
Bob Steinburg	Andrew Bowers	733-0010	301B	43
<u>Vice Chairs</u>				
William Brisson	Caroline Stirling	733-5772	405	23
Rena W. Turner	Barbara Gaiser	733-5661	606	52
John Ager	Meredith Graf	733-5746	1315	103
John R. Bell IV	Susan Horne	715-3017	301F	5
Larry Bell	Carolyn Edwards	733-5863	510	21
Beverly Boswell	Beth Strandberg	733-5906	531	97
Cecil Brockman	Grady O'Brien	733-5825	1311	106
George Cleveland	Pam Ahlin	715-6707	417A	8
Andy Dulin	Wanda Benson	715-3009	605	100
Charles Graham	Linda Laton	715-0875	1309	84
George Graham	Beverlee Baker	733-5995	1321	79
Howard J. Hunter III	Brenda Bennett	733-5780	1307	46
Bert Jones	Brenda Olls	733-5779	416A	54
Brenden Jones	Andrew Bailey	733-5821	2217	88
David R. Lewis	Grace Rogers	715-3015	2301	6
Susan Martin	Susie Farrell	715-3023	526	29
Michele D. Presnell	John Wall	733-5732	418A	51
Robert T. Reives II	Veronica Green	733-0057	1323	92
Dennis Riddell	Polly Riddell	733-5905	533	99
Larry Strickland	KJ Stancil	733-5849	602	112
Larry Yarborough	Leslie Murray	715-0850	1301	67
Lee Zachary	Haley Kitts	715-8361	1002	74



ATTENDANCE

[illegible]



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

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

DAY & DATE: Tuesday, March 28, 2017

TIME: 12:00 PM

LOCATION: 643 LOB

COMMENTS: Rep. Dixon will Chair

Topic: University of Mt. Olive Agriculture Dept. Heads and Students to address committee

Respectfully,

Representative Mark Brody, Co-Chair
Representative Jimmy Dixon, Co-Chair
Representative Bob Steinburg, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:21 PM on Monday, July 10, 2017.

____ Principal Clerk
____ Reading Clerk – House Chamber

Andrew Bowers (Committee Assistant)



**House Committee on Agriculture
Tuesday, March 28, 2017, 12:00 PM
643 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Presentations

University of Mount Olive Agribusiness Program

Other Business

Adjournment



1

**House Committee on Agriculture
Tuesday, March 28, 2017 at 12:00 PM
Room 643 of the Legislative Office Building**

MINUTES

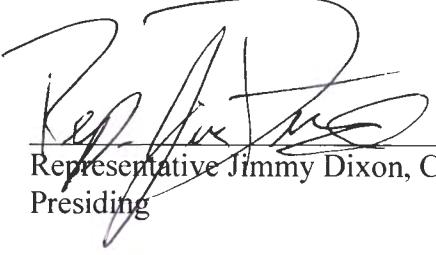
The House Committee on Agriculture met at 12:00 PM on March 28, 2017 in Room 643 of the Legislative Office Building. Representatives Ager, J. Bell, L. Bell, Boswell, Brisson, Brody, Cleveland, Dixon, C. Graham, G. Graham, Hunter, Bert Jones, Brenden Jones, S. Martin, Presnell, Reives, Steinburg, Strickland, R. Turner, and Yarborough attended.

Representative Jimmy Dixon, Chair, presided.

The following bills were considered:

None. The topic of discussion was the University of Mount Olive Agribusiness Center. The Director and Assistant Director of the UMO Agribusiness Center, Dr. Sandy Maddox and Edward Olive gave a brief overview of UMO's agribusiness program. Seven students from the UMO Agribusiness Program, one from the NC State Agriculture Policy Program, and one representative from Future Farmers of America spoke about the benefits and things they have learned from the respective programs.

The meeting adjourned at 12:53 PM.



Representative Jimmy Dixon, Chair
Presiding



Andrew Bowers, Committee Clerk



Committee Sergeants at Arms

NAME OF COMMITTEE AGRICULTURE

DATE: 03-28-2017

Room: 643

House Sgt-At Arms:

1. Name: REGGIE SILLS

2. Name: MARVIN LEE

3. Name: TERRY McCRAW

4. Name: THOMAS TERRY

5. Name: _____

Senate Sgt-At Arms:

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____



VISITOR REGISTRATION SHEET

Agriculture
Name of Committee

03-28-2017
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Thomas Evans	Ag Institute N.C. STATE
Candace Redmon	Ag. Institute - N.C. State
Julianne Tremie	Ag and Resource Econ Dept - Ag Inst - NCSU
Juliana Grant	Ag. Institute N.C. State
Tommy Sturine	Sturine Hobby
Lyke Strawn	Jones Street Consulting
Garratt Grant	Ag. Institute N.C. State
Mitchell Strader	Agribusiness, NC State
Daniel Lewis	Ag. Institute, NC State
Perry Huff	206
Swane	Duke Univ



VISITOR REGISTRATION SHEET

Agriculture

Name of Committee

03-28-2017

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Peter Daniel	Connect
Padraig Gibbons	Connect
<i>[Signature]</i>	<i>[Signature]</i>
Chris Sanders	ANDACS
KEN MARTIN	NESU
David McGowan	NCPC
Liz Baker	Marathon
Jill Ann Johnson	INCLC
Bo <i>[Signature]</i>	McGuire Wood
Doug Cassin	NCSTA
Rob <i>[Signature]</i>	PLA



LETTERS NOT YET RECEIVED

Name of Committee

2010

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Paul Sherman	NCFB
Keith Burt	
Todd Williams	NCHCTE/Iredell-Statesville Schools
Chris Bailey	NCHCTE/Crawford County Schools



**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

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

DAY & DATE: Tuesday, April 11, 2017
TIME: 12:00 PM
LOCATION: 643 LOB
COMMENTS: Rep. Bob Steinburg presiding

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>HB 387</u>	Corner Store Initiative. Discussion only	Representative Holley Representative Lambeth Representative McElraft Representative Quick
<u>HB 475</u>	SE NC Ag Events Center/Funds.	Representative C. Graham Representative Pierce Representative Goodman Representative Brenden Jones
<u>SB 124</u>	LEO Managed CBD Oil Drop Box.	Senator D. Davis Senator Hise

Respectfully,

Representative Mark Brody, Co-Chair
Representative Jimmy Dixon, Co-Chair
Representative Bob Steinburg, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:24 PM on Monday, July 10, 2017.

____ Principal Clerk
____ Reading Clerk – House Chamber

Andrew Bowers (Committee Assistant)



**House Committee on Agriculture
Tuesday, April 11, 2017, 12:00 PM
643 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 387	Corner Store Initiative. Discussion only	Representative Holley Representative Lambeth Representative McElraft Representative Quick
HB 475	SE NC Ag Events Center/Funds.	Representative C. Graham Representative Pierce Representative Goodman Representative Brenden Jones
SB 124	LEO Managed CBD Oil Drop Box.	Senator D. Davis Senator Hise

Presentations

Other Business

Adjournment



**House Committee on Agriculture
Tuesday, April 11, 2017 at 12:00 PM
Room 643 of the Legislative Office Building**

MINUTES

The House Committee on Agriculture met at 12:00 PM on April 11, 2017 in Room 643 of the Legislative Office Building. Representatives Ager, L. Bell, Boswell, Brisson, Brockman, Brody, Dixon, C. Graham, G. Graham, Hunter, Bert Jones, Presnell, Steinburg, Strickland, and R. Turner attended.

Representative Bob Steinburg, Chair, presided.

The following bills were considered:

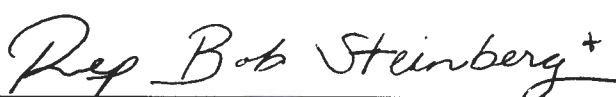
SB 124 LEO Managed CBD Oil Drop Box. (Senators D. Davis, Hise)

Representative Brockman motioned that SB 124 be brought before the Committee for the purposes of discussion. The motion carried without opposition. Senator Davis was recognized to present the bill. The Committee discussed the bill. Representative Bert Jones motioned for SB 124 to receive a favorable report with a referral to Judiciary I. The Chair called for a voice vote, and the motion carried.

HB 387 Corner Store Initiative. (Representatives Holley, Lambeth, McElraft, Quick)

Representative Holley was recognized to present HB 387. The Committee discussed the bill.

The meeting adjourned at 12:34 PM.



Representative Bob Steinburg, Chair
Presiding



Andrew Bowers, Committee Clerk



NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES

AGRICULTURE COMMITTEE REPORT
Representative Mark Brody, Co-Chair
Representative Jimmy Dixon, Co-Chair
Representative Bob Steinburg, Co-Chair

FAVORABLE AND RE-REFERRED

SB 124 (CS#1)

LEO Managed CBD Oil Drop Box.

Draft Number: None

Serial Referral: JUDICIARY I

Recommended Referral: None

Long Title Amended: No

Floor Manager: To be determined

TOTAL REPORTED: 1



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GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 124
PROPOSED COMMITTEE SUBSTITUTE S124-PCS45180-SA-3

Short Title: LEO Managed CBD Oil Drop Box.

(Public)

Sponsors:

Referred to:

February 23, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE RESIDUAL OIL FROM HEMP EXTRACT TO BE DISPOSED AT
3 ESTABLISHED SPECIFIC SECURE COLLECTION BOXES MANAGED BY LAW
4 ENFORCEMENT.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 90-94.1 reads as rewritten:

7 "§ 90-94.1. Exemption for use or possession of hemp extract.

8 (a) As used in this section, "hemp extract" means an extract from a cannabis plant, or a
9 mixture or preparation containing cannabis plant material, that has all of the following
10 characteristics:

- 11 (1) Is composed of less than nine-tenths of one percent (0.9%)
12 tetrahydrocannabinol by weight.
13 (2) Is composed of at least five percent (5%) cannabidiol by weight.
14 (3) Contains no other psychoactive substance.

15 (b) Notwithstanding any other provision of this Chapter, an individual may possess or use
16 hemp extract, and is not subject to the penalties described in this Chapter, if the individual satisfies
17 all of the following criteria:

- 18 (1) Possesses or uses the hemp extract only to treat intractable epilepsy, as defined
19 in G.S. 90-113.101.
20 (2) Possesses, in close proximity to the hemp extract, a certificate of analysis that
21 indicates the hemp extract's ingredients, including its percentages of
22 tetrahydrocannabinol and cannabidiol by weight.
23 (3) Is a caregiver, as defined in G.S. 90-113.101.

24 (c) Notwithstanding any other provision of this Chapter, an individual who possesses
25 hemp extract lawfully under this section may administer hemp extract to another person under the
26 individual's care and is not subject to the penalties described in this Chapter for administering the
27 hemp extract to the person if the individual is the person's caregiver, as defined in
28 G.S. 90-113.101.

29 (d) Any individual who possesses or uses hemp extract, as defined under this section, shall
30 dispose of all residual oil from the extract at a secure collection box managed by a law
31 enforcement agency. No criminal penalty shall attach for any violation of this subsection."

32 SECTION 2. G.S. 90-113.105 reads as rewritten:

33 "§ 90-113.105. Immunity for neurologists; confidentiality.

34 (a) On a case-by-case basis, neurologists may approve of dispensation to a registered
35 caregiver, as approved by this Article, hemp extract acquired from another jurisdiction.





1 (a1) Neurologists who approve of dispensation of hemp extract to a registered caregiver, as
2 approved by this Article, shall inform the registered caregiver of the requirement that disposal
3 must be done at a secure collection box pursuant to G.S. 90-94.1.

4 (b) A neurologist shall not be subject to arrest or prosecution, penalized or disciplined in
5 any manner, or denied any right or privilege for approving or recommending the use of hemp
6 extract or providing a written statement for the use of hemp extract pursuant to this Article.

7 (c) Repealed by Session Laws 2015-154, s. 7, effective July 16, 2015.

8 (d) The identities of the caregivers, patients, and neurologists reported to the Department
9 pursuant to this Article are confidential and are not matters of public record. However, this
10 information may be provided to law enforcement agencies pursuant to G.S. 9-113.102."

11 **SECTION 3.** This act becomes effective December 1, 2017.



VISITOR REGISTRATION SHEET

House Comm. on Agriculture

04/11/17

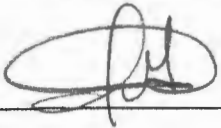
Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Belar/otter	American Heart Assn
JEFF BARNHART	MWC
	SA
Alice Karch	American Cancer Society Volunteer
Bel Orinda	American Cancer Society Volunteer
Sarah Wolfe	MWC
Johnny Tillott	MWC
Dan Crawford	NCLCV
Samuel Williamson	ACSN
Christine Wason	ACSCAN
Holly Noble	ACS-CAN



VISITOR REGISTRATION SHEET

House Comm. on Agriculture

04/11/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Courtney Lyell	American Cancer Society
Madison Miner	American Cancer Society
Angela Burns	American Cancer Society
Michelle Fisher	American Cancer Society
Alyssa France	American Cancer Society
Lauren Parrish	American Cancer Society
Morgan Sills	American Cancer Society
Peg O'Connell	NC Alliance for Health
Shera Vodicke	NC Alliance of YMCAs
Morgan Gramann	NC Alliance for Health
Sarah Jacobson	American Heart Association



VISITOR REGISTRATION SHEET

House Comm. on Agriculture

04/11/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Luke Cunningham	American Cancer Society
Michael Karher	American Cancer Society
William Hofmann	American Cancer Society
Halcy Hurt	American cancer society
Michael Clough	American Cancer Society
Madh Brimley	American Cancer Society
Hannah Hurt	American cancer society
Charlotte Rodriguez	ACS-CAN
Vicki Irving	ACS-CAN
Terry James	ACS CAN



.



VISITOR REGISTRATION SHEET

House Comm. on Agriculture

04/11/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Michael M.	3367 PBJ Drive
Devan Desai	American Cancer Society
Patricia Earnhardt Tyndal	American Cancer Society
Melissa Croom	American Cancer Society
Kayla Hellingworth	American Cancer Society
Bennita Dunham	American Cancer Society
Jim Murray	American Cancer Society
Carrie Klamut	American Cancer Society
Denise Hockaday	American Cancer Society
Mona Lita Carr	American Cancer Society - CAN
Kimberly Alexander-Bratcher	American Cancer Society



Corrected #1: Added SB 410

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2017-2018 SESSION**

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

DAY & DATE: Tuesday, June 20, 2017

TIME: 12:00 PM

LOCATION: 643 LOB

COMMENTS: Rep. Mark Brody will Chair.

The following bills will be considered:

BILL NO.	SHORT TITLE	SPONSOR
<u>SB 196</u>	Veterinary Practice Omnibus.	Senator Wade Senator Rabon
<u>SB 615</u>	North Carolina Farm Act of 2017.	Senator B. Jackson Senator B. Jackson Senator Sanderson Senator Brock
<u>SB 410</u>	Marine Aquaculture Development Act.	Senator Cook Senator Sanderson Senator Tillman

Respectfully,

Representative Mark Brody, Co-Chair
Representative Jimmy Dixon, Co-Chair
Representative Bob Steinburg, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:25 PM on Monday, July 10, 2017.

____ Principal Clerk
____ Reading Clerk – House Chamber

Andrew Bowers (Committee Assistant)



**House Committee on Agriculture
Tuesday, June 20, 2017, 12:00 PM
643 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 196	Veterinary Practice Omnibus.	Senator Wade Senator Rabon Senator B. Jackson
SB 615	North Carolina Farm Act of 2017.	Senator B. Jackson Senator Sanderson Senator Brock
SB 410	Marine Aquaculture Development Act.	Senator Cook Senator Sanderson Senator Tillman

Presentations

Other Business

Adjournment



**House Committee on Agriculture
Tuesday, June 20, 2017 at 12:00 PM
Room 643 of the Legislative Office Building**

MINUTES

The House Committee on Agriculture met at 12:00 PM on June 20, 2017 in Room 643 of the Legislative Office Building. Representatives Ager, Boswell, Brisson, Brockman, Brody, Cleveland, Dixon, C. Graham, G. Graham, Hunter, Bert Jones, S. Martin, Presnell, Reives, Riddell, Steinburg, Strickland, R. Turner, Yarborough, and Zachary attended.

Representative Mark Brody, Chair, presided.

The following bills were considered:

SB 196 Veterinary Practice Omnibus. (Senators Wade, Rabon, B. Jackson)

Senator Wade was recognized to present the bill. There was no discussion on the bill. Representative Bert Jones motioned that SB 196 receive a favorable report. The Chairman called for a voice vote, and the motion carried.

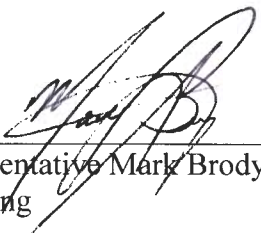
SB 615 North Carolina Farm Act of 2017. (Senators B. Jackson, Sanderson, Brock)

Senator Brent Jackson was recognized to present the bill. The committee discussed the bill. Representative George Cleveland motioned that the Proposed Committee Substitute (PCS) receive an unfavorable report and favorable to the House Committee Substitute with a referral to Finance. The motion carried.

SB 410 Marine Aquaculture Development Act. (Senators Cook, Sanderson, Tillman)

Senator Bill Cook was recognized to present the bill. The bill was discussed. Representative Cleveland motioned that SB 410 receive a favorable report as amended with a referral to Finance. The motion carried.

The meeting adjourned at 1:09 PM.



Representative Mark Brody, Chair
Presiding



Andrew Bowers, Committee Clerk



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

FILED SENATE
Mar 7, 2017
S.B. 196
PRINCIPAL CLERK

S

D

SENATE BILL DRS15051-MH-28 (01/30)

Short Title: Veterinary Practice Omnibus. (Public)

Sponsors: Senators Wade, Rabon, and B. Jackson (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THAT THE PRACTICE OF HORSESHOEING IS NOT THE
3 PRACTICE OF VETERINARY MEDICINE AND TO STUDY VETERINARY
4 PHARMACEUTICAL COMPOUNDING.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 90-187.10 is amended by adding a new subdivision to read:
7 "§ 90-187.10. Necessity for license; certain practices exempted.

8 No person shall engage in the practice of veterinary medicine or own all or part interest in a
9 veterinary medical practice in this State or attempt to do so without having first applied for and
10 obtained a license for such purpose from the North Carolina Veterinary Medical Board, or without
11 having first obtained from the Board a certificate of renewal of license for the calendar year in
12 which the person proposes to practice and until the person shall have been first licensed and
13 registered for such practice in the manner provided in this Article and the rules and regulations of
14 the Board.

15 Nothing in this Article shall be construed to prohibit:

16 ...
17 (11) Any farrier or person actively engaged in the activity or profession of shoeing
18 hooved animals as long as his or her actions are limited to the art of shoeing
19 hooved animals or trimming, clipping, or maintaining hooves."

20 SECTION 2. The Veterinary Division of the Department of Agriculture and
21 Consumer Services shall study the practice of veterinary pharmaceutical compounding (VPC). The
22 study shall include the following:

- 23 (1) A review of current State and federal policies regulating VPC, taking into
24 account the ongoing dialogue between the U.S. Food and Drug Administration
25 and the American Veterinary Medical Association regarding the legality of
26 compounding animal drugs from bulk drug substances.
27 (2) Recommendations for additional legislation needed to increase protection of
28 animals administered compounded pharmaceutical agents and provide
29 necessary oversight of (i) veterinary compounding pharmacies, (ii) veterinary
30 pharmaceutical manufacturers engaging in VPC, and (iii) veterinary practices
31 that prescribe or administer compounded pharmaceutical agents.

32 In conducting its study, the Division shall consult with the North Carolina Board of
33 Pharmacy and the North Carolina Veterinary Medical Board. The Division shall submit its report
34 and any recommendations to the Joint Legislative Administrative Procedure Oversight Committee,
35 the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources,
36 and the Environmental Review Commission no later than March 1, 2018.



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



**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

AGRICULTURE COMMITTEE REPORT

Representative Mark Brody, Co-Chair

Representative Jimmy Dixon, Co-Chair

Representative Bob Steinburg, Co-Chair

FAVORABLE

SB 196

Veterinary Practice Omnibus.

Draft Number: None

Serial Referral: None

Recommended Referral: None

Long Title Amended: No

Floor Manager: Dixon

TOTAL REPORTED: 1



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GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

S

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SENATE BILL 615

Agriculture/Environment/Natural Resources Committee Substitute Adopted 5/30/17
PROPOSED HOUSE COMMITTEE SUBSTITUTE S615-PCS45456-RIxr-24

Short Title: North Carolina Farm Act of 2017.

(Public)

Sponsors:

Referred to:

April 5, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND CERTAIN LAWS GOVERNING AGRICULTURAL MATTERS.
3 The General Assembly of North Carolina enacts:
4

5 **AGRICULTURE AND FORESTRY AWARENESS STUDY COMMISSION STUDIES**

6 **SECTION 1.(a)** The Agriculture and Forestry Awareness Study Commission shall
7 study both of the following matters:

- 8 (1) Any updates it deems advisable to Article 44 of Chapter 106 of the General
9 Statutes governing unfair practices by handlers of fruits and vegetables,
10 including applicable definitions and requirements under the Article.
11 (2) The advisability of providing property tax abatement to aging farm
12 machinery. In conducting this study, the Commission shall consider all of
13 the following: (i) whether farm machinery 10 years or older, or other time
14 period the Commission deems appropriate, should be designated as a special
15 class under Section 2(2) of Article V of the North Carolina Constitution and
16 be excluded from property tax; (ii) if such farm machinery should be
17 excluded from property tax, whether an eighty percent (80%) property tax
18 exclusion is an appropriate exclusion amount, or another amount the
19 Commission deems appropriate; and (iii) the fiscal impact on local
20 governments if such machinery were to be excluded from property tax. The
21 Commission may request any information necessary to complete the study
22 from any county tax office in this State and from the Department of
23 Revenue.

24 **SECTION 1.(b)** The Agriculture and Forestry Awareness Study Commission shall
25 complete the studies required by subsection (a) of this section and report its findings and
26 recommendations, including any legislative proposals, to the General Assembly by March 1,
27 2018.
28

29 **EXPAND FACILITIES EXEMPT FROM EMC RULE**

30 **SECTION 2.(a)** Rule. – Until the effective date of the revised permanent rule that
31 the Environmental Management Commission is required to adopt pursuant to subsection (c) of
32 this section, the Commission shall implement 15A NCAC 02D .1806 as provided in subsection
33 (b) of this section.

34 **SECTION 2.(b)** Implementation. – Notwithstanding subsection (c) of 15A NCAC
35 02D .1806, any facility that stores products that are (i) grown, produced, or generated on one or



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more agricultural operations and (ii) "renewable energy resources" as defined in G.S. 62-133.8(a)(8) shall be exempt from the requirements of 15A NCAC 02D .1806 until the Environmental Management Commission reviews and readopts the Rule pursuant to subsection (c) of this section and determines the criteria under which the exemption should be made permanent.

SECTION 2.(c) Additional Rule-Making Authority. – The Commission shall adopt rules to amend 15A NCAC 02D .1806 consistent with subsection (b) of this section.

SECTION 2.(d) Effective Date. – Subsection (b) of this section expires on the date that rules adopted pursuant to subsection (c) of this section become effective. The remainder of this section is effective when it becomes law.

PRESENT-USE VALUE CHANGE

SECTION 3.(a) G.S. 105-277.3 reads as rewritten:

"§ 105-277.3. Agricultural, horticultural, and forestland – Classifications.

(a) Classes Defined. – The following classes of property are designated special classes of property under authority of Section 2(2) of Article V of the North Carolina Constitution and must be appraised, assessed, and taxed as provided in G.S. 105-277.2 through G.S. 105-277.7.

(1) Agricultural land. – Individually owned agricultural land consisting of one or more tracts, one of which satisfies the requirements of this subdivision. For agricultural land used as a farm for aquatic species, as defined in G.S. 106-758, the tract must meet the income requirement for agricultural land and must consist of at least five acres in actual production or produce at least 20,000 pounds of aquatic species for commercial sale annually, regardless of acreage. For all other agricultural land, the tract must meet the income requirement for agricultural land and must consist of at least 10 acres that are in actual production. Land in actual production includes land under improvements used in the commercial production or growing of crops, plants, or animals.

To meet the income requirement, agricultural land must, for the three years preceding January 1 of the year for which the benefit of this section is claimed, have produced an average gross income of at least one thousand dollars (\$1,000). Gross income includes income from the sale of the agricultural products produced from the land, grazing fees for livestock, the sale of bees or products derived from beehives other than honey, any payments received under a governmental soil conservation or land retirement program, and the amount paid to the taxpayer during the taxable year pursuant to P.L. 108-357, Title VI, Fair and Equitable Tobacco Reform Act of 2004.

...."

SECTION 3.(b) This section is effective for taxes imposed for taxable years beginning on or after July 1, 2017.

ABANDONED LIVESTOCK AMENDMENTS

SECTION 4. G.S. 68-17 reads as rewritten:

"§ 68-17. Impounding livestock at large; right to recover costs and ~~damages~~damages; abandoned livestock.

(a) Any person may take up any livestock running at large or straying and impound the same; and such impounder may recover from the owner the reasonable costs of impounding and maintaining the livestock as well as damages to the impounder caused by such livestock, and may retain the livestock, with the right to use with proper care until such recovery is had.



1 Reasonable costs of impounding shall include any fees paid pursuant to G.S. 68-18.1 in order to
2 locate the owner.

3 (b) Livestock is deemed to be abandoned when (i) it is placed in the custody of any
4 other person for treatment, boarding, or care; (ii) the owner of the livestock does not retake
5 custody of the animal within two months after the last day the owner paid a fee to the custodian
6 for the treatment, boarding, or care of the livestock; and (iii) the custodian has made reasonable
7 attempts to collect any past-due fees during the two-month period. If, after the end of the
8 two-month period, the custodian of the abandoned livestock has been unsuccessful in collecting
9 the past-due fees and the owner of the livestock has not retaken custody of the livestock, the
10 custodian may sell or transfer the livestock by executing an affidavit that identifies the buyer or
11 transferee of the livestock and certifies compliance with the criteria and requirements of this
12 subsection. If the custodian is unable to sell or transfer the livestock, the custodian may, but
13 shall not be required to, otherwise humanely dispose of the abandoned livestock. A custodian
14 shall provide written notice of the provisions of this subsection in conspicuous type to the
15 owner of livestock at the time the livestock is delivered for treatment, boarding, or care as
16 follows: "Pursuant to N.C. General Statutes § 68-17(b), the owner of this facility is entitled to
17 sell, transfer, or otherwise humanely dispose of any livestock abandoned at this facility."
18

19 **CLARIFY THE AUTHORITY OF THE DEPARTMENT OF AGRICULTURE AND**
20 **CONSUMER SERVICES TO ADOPT AND ADMINISTER FOREST PRACTICE**
21 **GUIDELINES FOR PURPOSES OF THE SEDIMENTATION POLLUTION**
22 **CONTROL ACT**

23 **SECTION 6.(a)** G.S. 113A-52.01 reads as rewritten:

24 **"§ 113A-52.01. Applicability of this Article.**

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

26 ...

- 27 (2) Activities undertaken on forestland for the production and harvesting of
28 timber and timber products and conducted in accordance with ~~best~~
29 ~~management practices set out in standards defined by the Forest Practice~~
30 ~~Guidelines Related to Water Quality, as adopted by the Department.~~
31 Department of Agriculture and Consumer Services.

32"

33 **SECTION 6.(b)** G.S. 113A-52.1 reads as rewritten:

34 **"§ 113A-52.1. Forest Practice Guidelines.**

35 (a) The Department of Agriculture and Consumer Services shall adopt Forest Practice
36 Guidelines Related to Water Quality (best management practices). The adoption of Forest
37 Practices Guidelines Related to Water Quality under this section is subject to the provisions of
38 Chapter 150B of the General Statutes.

39 (b) If land-disturbing activity undertaken on forestland for the production and
40 harvesting of timber and timber products is not conducted in accordance with Forest Practice
41 Guidelines Related to Water Quality, the provisions of this Article shall apply to such activity
42 and any related land-disturbing activity on the tract.

43 (c) The ~~Secretary-Commissioner~~ shall establish and appoint a Forestry Technical
44 Advisory Committee to assist in the development and periodic review of Forest Practice
45 Guidelines Related to Water Quality. The Forestry Technical Advisory Committee shall consist
46 of one member from the forest products industry, one member who is a consulting forester, one
47 member who is a private landowner knowledgeable in forestry, one member from the United
48 States Forest Service, one member from the academic community who is knowledgeable in
49 forestry, one member employed by the Department of Environmental Quality who is
50 knowledgeable in erosion and sedimentation control, one member who is knowledgeable in
51 wildlife management, one member who is knowledgeable in marine fisheries management, one



1 member who is knowledgeable in water quality, and one member from the conservation
2 community."

3 **SECTION 6.(c)** G.S. 113A-61.1 reads as rewritten:

4 **"§ 113A-61.1. Inspection of land-disturbing activity; notice of violation.**

5 (a) The Commission, a local government that administers an erosion and sedimentation
6 control program approved under G.S. 113A-60, or other approving authority shall provide for
7 inspection of land-disturbing activities to ensure compliance with this Article and to determine
8 whether the measures required in an erosion and sedimentation control plan are effective in
9 controlling erosion and sedimentation resulting from the land-disturbing activity. Notice of this
10 right of inspection shall be included in the certificate of approval of each erosion and
11 sedimentation control plan. The Department of Agriculture and Consumer Services may inspect
12 land-disturbing activities undertaken on forestland for the production and harvesting of timber
13 and timber products to determine compliance with the Forest Practice Guidelines Related to
14 Water Quality adopted pursuant to G.S. 113A-52.1.

15 (b) No person shall willfully resist, delay, or obstruct an authorized representative of the
16 Commission, an authorized representative of a local government, or an employee or an agent of
17 the Department while the representative, employee, or agent is inspecting or attempting to
18 inspect a land-disturbing activity under this section.

19 (b1) No person shall willfully resist, delay, or obstruct an authorized representative,
20 employee, or agent of the Department of Agriculture and Consumer Services while the
21 representative, employee, or agent is inspecting or attempting to inspect a land-disturbing
22 activity undertaken on forestland for the production and harvesting of timber and timber
23 products under this section.

24 (c) If the Secretary, a local government that administers an erosion and sedimentation
25 control program approved under G.S. 113A-60, or other approving authority determines that
26 the person engaged in the land-disturbing activity has failed to comply with this Article, the
27 Secretary, local government, or other approving authority shall immediately serve a notice of
28 violation upon that person. The notice may be served by any means authorized under
29 G.S. 1A-1, Rule 4. A notice of violation shall specify a date by which the person must comply
30 with this Article and inform the person of the actions that need to be taken to comply with this
31 Article. Any person who fails to comply within the time specified is subject to additional civil
32 and criminal penalties for a continuing violation as provided in G.S. 113A-64. If the person
33 engaged in the land-disturbing activity has not received a previous notice of violation under this
34 section, the Department, local government, or other approving authority shall deliver the notice
35 of violation in person and shall offer assistance in developing corrective measures. Assistance
36 may be provided by referral to a technical assistance program in the Department, referral to a
37 cooperative extension program, or by the provision of written materials such as Department
38 guidance documents. If the Department, local government, or other approving authority is
39 unable to deliver the notice of violation in person within 15 days following discovery of the
40 violation, the notice of violation may be served in the manner prescribed for service of process
41 by G.S. 1A-1, Rule 4, and shall include information on how to obtain assistance in developing
42 corrective measures."

43 **SECTION 6.(d)** G.S. 106-895 is amended by adding a new subsection to read:

44 **"§ 106-895. Powers of Department of Agriculture and Consumer Services.**

45 (a) The Department of Agriculture and Consumer Services may take such action as it
46 may deem necessary to provide for the prevention and control of forest fires in any and all parts
47 of this State, and it is hereby authorized to enter into an agreement with the Secretary of
48 Agriculture of the United States for the protection of the forested watersheds of streams in this
49 State.

50 (a1) The Department shall adopt Forest Practice Guidelines Related to Water Quality
51 pursuant to G.S. 113A-52.1 of the Sedimentation Pollution Control Act.



(b) In this Article, unless the context requires otherwise:

(1) "Commissioner" means the Commissioner of Agriculture.

(2) "Department" means the Department of Agriculture and Consumer Services."

ASSENT TO MUTUAL AID PROVISIONS OF THE GREAT PLAINS WILDLAND PROTECTION COMPACT

SECTION 7. G.S. 106-932 reads as rewritten:

"§ 106-932. Assent of legislature to mutual aid provisions of other compacts.

The legislature of this State hereby gives its assent to the mutual aid provisions of Articles IV and V of the South Central Interstate Forest Fire Protection Compact, the Middle Atlantic Interstate Fire Protection Compact, and the Great Plains Wildland Fire Protection Compact, in accordance with Article VIII of that Compact those Compacts relating to interregional mutual aid; and the legislature of this State also hereby gives its assent to the mutual aid provisions of Articles IV and V of the Middle Atlantic Interstate Forest Fire Protection Compact in accordance with Article VIII of that Compact relating to interregional mutual aid."

CLARIFY AGRITOURISM

SECTION 8.(a) G.S. 153A-340(b), as amended by Section 9 of this act, reads as rewritten:

"§ 153A-340. Grant of power.

...

(b) ...

(2) Except as provided in G.S. 106-743.4 for farms that are subject to a conservation agreement under G.S. 106-743.2, bona fide farm purposes include the 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, as defined in G.S. 106-581.1. For purposes of this subdivision, "when performed on the farm" in G.S. 106-581.1(6) shall include the farm within the jurisdiction of the county and any other farm owned or leased to or from others by the bona fide farm operator, no matter where located. For purposes of this subdivision, the production of a nonfarm product that the Department of Agriculture and Consumer Services recognizes as a "Goodness Grows in North Carolina" product that is produced on a farm subject to a conservation agreement under G.S. 106-743.2 is a bona fide farm purpose. For purposes of determining whether a property is being used for bona fide farm purposes, any of the following shall constitute sufficient evidence that the property is being used for bona fide farm purposes:

a. A farm sales tax exemption certificate issued by the Department of Revenue.

b. A copy of the property tax listing showing that the property is eligible for participation in the present use value program pursuant to G.S. 105-277.3.

c. A copy of the farm owner's or operator's Schedule F from the owner's or operator's most recent federal income tax return.

d. A forest management plan.

e. A Farm Identification Number issued by the United States Department of Agriculture Farm Service Agency.



(2a) A building or structure that is used for agritourism is a bona fide farm purpose if the building or structure is located on a property that (i) is owned by a person who holds a qualifying farmer sales tax exemption certificate from the Department of Revenue pursuant to G.S. 105-164.13E(a) or (ii) is enrolled in the present-use value program pursuant to G.S. 105-277.3. Failure to maintain the requirements of this subsection for a period of three years after the date the building or structure was originally classified as a bona fide purpose pursuant to this subdivision shall subject the building or structure to applicable zoning and development regulation ordinances adopted by a county pursuant to subsection (a) of this section in effect on the date the property no longer meets the requirements of this subsection. For purposes of this section, "agritourism" means any activity carried out on a farm or ranch that allows members of the general public, for recreational, entertainment, or educational purposes, to view or enjoy rural activities, including farming, ranching, historic, cultural, harvest-your-own activities, or natural activities and attractions. A building or structure used for agritourism includes any building or structure used for public or private events, including, but not limited to, weddings, receptions, meetings, demonstrations of farm activities, meals, and other events that are taking place on the farm because of its farm or rural setting.

...."

SECTION 8.(b) G.S. 143-138 reads as rewritten:

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

...

(b4) Exclusion for Certain Farm Buildings. – Building rules do not apply to (i) farm buildings that are located outside the building-rules jurisdiction of any municipality, (ii) farm buildings that are located inside the building-rules jurisdiction of any municipality if the farm buildings are greenhouses, (iii) a primitive camp, or (iv) a primitive farm building. For the purposes of this subsection:

(1) For the purposes of this subdivision, a "farm building" means any nonresidential building or structure that is used for a bona fide farm purpose as provided in G.S. 153A-340. A "farm building" shall include:

- a. Any structure used or associated with equine activities, including, but not limited to, the care, management, boarding, or training of horses and the instruction and training of riders. Structures that are associated with equine activities include, but are not limited to, free standing or attached sheds, barns, or other structures that are utilized to store any equipment, tools, commodities, or other items that are maintained or used in conjunction with equine activities. The specific types of equine activities, structures, and uses set forth in this subdivision are for illustrative purposes, and should not be construed to limit, in any manner, the types of activities, structures, or uses that may be considered under this subsection as exempted from building rules. A farm building that might otherwise qualify for exemption from building rules shall remain subject only to an annual safety inspection by the applicable city or county building inspection department of any grandstand, bleachers, or other spectator-seating structures in the farm building. An annual safety inspection shall include an evaluation of the overall safety of spectator-seating structures as well as ensuring the spectator-seating structure's compliance with any building codes related to the construction of



- 1 spectator-seating structures in effect at the time of the construction of
2 the spectator-seating.
- 3 b. Any structure used for the display and sale of produce, no more than
4 1,000 square feet in size, open to the public for no more than 180
5 days per year, and certified by the Department of Agriculture and
6 Consumer Services as a Certified Roadside Farm Market.
- 7 c. Any unoccupied structure built upon land owned by the State of
8 North Carolina and administratively allocated to the North Carolina
9 Department of Agriculture and Consumer Services or North Carolina
10 State University which is used primarily for forestry production and
11 research or agriculture production and research. The term
12 "agriculture" has the same meaning as in G.S. 106-581.1. The term
13 "unoccupied" does not exclude the keeping of livestock.
- 14 (1a) A "farm building" shall not lose its status as a farm building because it is
15 used for public or private events, including, but not limited to, weddings,
16 receptions, meetings, demonstrations of farm activities, meals, and other
17 events that are taking place on the farm because of its farm or rural setting.
- 18 (2) A "greenhouse" is a structure that has a glass or plastic roof, has one or more
19 glass or plastic walls, has an area over ninety-five percent (95%) of which is
20 used to grow or cultivate plants, is built in accordance with the National
21 Greenhouse Manufacturers Association Structural Design manual, and is not
22 used for retail sales. Additional provisions addressing distinct life safety
23 hazards shall be approved by the local building-rules jurisdiction.
- 24 (3) Repealed by Session Laws 2015-263, s. 34, effective September 30, 2015.
- 25 (4) A "primitive camp" shall include any structure primarily used or associated
26 with outdoor camping activities, including structures used for educational,
27 instructional, or recreational purposes for campers and for management
28 training, that are (i) not greater than 4,000 square feet in size and (ii) are not
29 intended to be occupied for more than 24 hours consecutively. "Structures
30 primarily used or associated with outdoor camping activities" include, but
31 are not limited to, shelters, tree stands, outhouses, sheds, rustic cabins,
32 campfire shelters, picnic shelters, tents, tepees or other indigenous huts,
33 support buildings used only for administrative functions and not for
34 activities involving campers or program participants, and any other
35 structures that are utilized to store any equipment, tools, commodities, or
36 other items that are maintained or used in conjunction with outdoor camping
37 activities such as hiking, fishing, hunting, or nature appreciation, regardless
38 of material used for construction. The specific types of primitive camping
39 activities, structures, and uses set forth in this subdivision are for illustrative
40 purposes and should not be construed to limit, in any manner, the types of
41 activities, structures, or uses that are exempted from building rules.
- 42 (5) A "primitive farm building" shall include any structure used for activities,
43 instruction, training, or reenactment of traditional or heritage farming
44 practices. "Primitive farm buildings" include, but are not limited to, sheds,
45 barns, outhouses, doghouses, or other structures that are utilized to store any
46 equipment, tools, commodities, livestock, or other items supporting farm
47 management. These specific types of farming activities, structures, and uses
48 set forth by this subdivision are for illustrative purposes and should not be
49 construed to limit in any manner the types of activities, structures, or uses
50 that are exempted from building rules.
- 51 (6) Repealed by Session Laws 2015-263, s. 34, effective September 30, 2015.



...."

ELIMINATE COUNTY AUTHORITY TO ADOPT ZONING REGULATIONS GOVERNING SWINE FARMS

SECTION 9.(a) G.S. 153A-340(b) reads as rewritten:

- "(b) (1) These regulations may not affect property used for bona fide farm ~~purposes only as provided in subdivision (3) of this subsection. This purposes;~~ provided, however, that this subsection does not limit regulation under this Part with respect to the use of farm property for nonfarm purposes.
- (2) Except as provided in G.S. 106-743.4 for farms that are subject to a conservation agreement under G.S. 106-743.2, bona fide farm purposes include the 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, as defined in G.S. 106-581.1. For purposes of this subdivision, "when performed on the farm" in G.S. 106-581.1(6) shall include the farm within the jurisdiction of the county and any other farm owned or leased to or from others by the bona fide farm operator, no matter where located. For purposes of this subdivision, the production of a nonfarm product that the Department of Agriculture and Consumer Services recognizes as a "Goodness Grows in North Carolina" product that is produced on a farm subject to a conservation agreement under G.S. 106-743.2 is a bona fide farm purpose. For purposes of determining whether a property is being used for bona fide farm purposes, any of the following shall constitute sufficient evidence that the property is being used for bona fide farm purposes:
- a. A farm sales tax exemption certificate issued by the Department of Revenue.
 - b. A copy of the property tax listing showing that the property is eligible for participation in the present use value program pursuant to G.S. 105-277.3.
 - c. A copy of the farm owner's or operator's Schedule F from the owner's or operator's most recent federal income tax return.
 - d. A forest management plan.
 - e. A Farm Identification Number issued by the United States Department of Agriculture Farm Service Agency.
- (3) ~~The definitions set out in G.S. 106-802 apply to this subdivision. A county may adopt zoning regulations governing swine farms served by animal waste management systems having a design capacity of 600,000 pounds steady state live weight (SSLW) or greater provided that the zoning regulations may not have the effect of excluding swine farms served by an animal waste management system having a design capacity of 600,000 pounds SSLW or greater from the entire zoning jurisdiction."~~

SECTION 9.(b) G.S. 106-743.4(a) reads as rewritten:

"(a) Property that is subject to a conservation agreement under G.S. 106-743.2 that remains in effect may receive up to twenty-five percent (25%) of its gross sales from the sale of nonfarm products and still qualify as a bona fide farm that is exempt from zoning regulations under G.S. 153A-340(b). For purposes of G.S. 153A-340(b), the production of any nonfarm product that the Department of Agriculture and Consumer Services recognizes as a "Goodness Grows in North Carolina" product that is produced on a farm that is subject to a conservation agreement under G.S. 106-743.2 is a bona fide farm purpose. A farmer seeking to benefit from this subsection shall have the burden of establishing that the property's sale of nonfarm



1 products did not exceed twenty-five percent (25%) of its gross sales. A county may adopt an
2 ordinance pursuant to this section that sets forth the standards necessary for proof of
3 compliance.

4 ~~Nothing in this section shall affect the county's authority to zone swine farms pursuant to~~
5 ~~G.S. 153A-340(b)(3)."~~
6

7 **ALLOW FOOD COMPLIANCE INSPECTORS TO DRIVE STATE VEHICLES**
8 **WITHOUT STATE TAGS AND BUMPER STICKERS**

9 **SECTION 10.** G.S. 20-39.1 is amended by adding a new subsection to read:

10 **"§ 20-39.1. Publicly owned vehicles to be marked; private license plates on publicly**
11 **owned vehicles.**

12 (a) Except as otherwise provided in this section, the executive head of every department
13 of State government and every county, institution, or agency of the State shall mark every
14 motor vehicle owned by the State, county, institution, or agency with a statement that the
15 vehicle belongs to the State, county, institution, or agency. The requirements of this subsection
16 are complied with if:

- 17 (1) The vehicle has imprinted on the license plate, above the license number, the
18 words "State Owned" and the vehicle has affixed to the front the words
19 "State Owned";
20 (2) In the case of a county, the vehicle has painted or affixed on its side a circle
21 not less than eight inches in diameter showing a replica of the seal of the
22 county; or
23 (3) In the case of vehicles assigned to members of the Council of State, the
24 vehicle has imprinted on the license plate the license number assigned to the
25 appropriate member of the Council of State pursuant to G.S. 20-79.5(a); a
26 member of the Council of State shall not be assessed any registration fee if
27 the member elects to have a State-owned motor vehicle assigned to the
28 member designated by the official plate number.

29 (b) A motor vehicle used by any State or county officer or official for transporting,
30 apprehending, or arresting persons charged with violations of the laws of the United States or
31 the laws of this State is not required to be marked as provided in subsection (a) of this section.
32 The Commissioner may lawfully provide private license plates to local, State, or federal
33 departments or agencies for use on publicly owned or leased vehicles used for those purposes.
34 Private license plates issued under this subsection shall be issued on an annual basis and the
35 records of issuance shall be maintained in accordance with the provisions of G.S. 20-56.

36 (c) A motor vehicle used by a county for transporting day or residential facility clients
37 of area mental health, developmental disabilities, and substance abuse authorities established
38 under Article 4 of Chapter 122C of the General Statutes is not required to be marked as
39 provided in subsection (a) of this section. The Commissioner may lawfully provide private
40 license plates to counties for use on publicly owned or leased vehicles used for that purpose.
41 Private license plates issued under this subsection shall be issued on an annual basis and the
42 records of issuance shall be maintained in accordance with the provisions of G.S. 20-56.

43 (c1) A motor vehicle used by the Department of Agriculture and Consumer Services
44 exclusively for Meat and Poultry compliance officers to conduct inspections is not required to
45 be marked as provided in subsection (a) of this section. The Commissioner may lawfully
46 provide private license plates to the Department of Agriculture and Consumer Services for use
47 on publicly owned or leased vehicles used for this purpose. Private license plates issued under
48 this subsection shall be issued on an annual basis and the records of issuance shall be
49 maintained in accordance with the provisions of G.S. 20-56.

50"
51



MEAT AND POULTRY TECHNICAL CORRECTIONS**SECTION 11.(a)** G.S. 106-549.15(1) reads as rewritten:**"§ 106-549.15. Definitions.**

As used in this Article, except as otherwise specified, the following terms shall have the meanings stated below:

(1) "Adulterated" shall apply to any carcass, part thereof, meat or meat food product under one or more of the following circumstances:

- a. If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance, such article shall not be considered adulterated under this clause if the quantity of such substance in or on such article does not ordinarily render it injurious to health;
- b.
 1. If it bears or contains (by reason of administration of any substance to the live animal or otherwise) any added poisonous or added deleterious substance (other than one which is (i) a pesticide chemical in or on a raw agricultural commodity; (ii) a food additive; or (iii) a color additive) which may, in the judgment of the Commissioner, make such article unfit for human food;
 2. If it is, in whole or in part, a raw agricultural commodity and such commodity bears or contains a pesticide chemical which is unsafe within the meaning of section 408 of the Federal Food, Drug, and Cosmetic Act;
 3. If it bears or contains any food additive which is unsafe within the meaning of section 409 of the Federal Food, Drug, and Cosmetic Act;
 4. If it bears or contains any color additive which is unsafe within the meaning of section ~~706-721~~ of the Federal Food, Drug, and Cosmetic Act: Provided, that an article which is not adulterated under clause 2, 3, or 4 shall nevertheless be deemed adulterated if use of the pesticide chemical, food additive or color additive in or on such article is prohibited by order of the Commissioner in establishments at which inspection is maintained under this Article;

...."

SECTION 11.(b) G.S. 106-549.51 reads as rewritten:**"§ 106-549.51. Definitions.**

For purposes of this Article, the following terms shall have the meanings stated below:

- (1) "Adulterated" shall apply to any poultry product under one or more of the following circumstances:
- a. If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance, such article shall not be considered adulterated under this clause if the quantity of such substance in or on such article does not ordinarily render it injurious to health;
 - b.
 1. If it bears or contains (by reason of administration of any substance to the live poultry or otherwise) any added poisonous or added deleterious substance (other than one which is a pesticide chemical in or on a raw agricultural commodity; a food additive; or a color additive) which may,



- 1 in the judgment of the Commissioner, make such article unfit
2 for human food;
- 3 2. If it is, in whole or in part, a raw agricultural commodity and
4 such commodity bears or contains a pesticide chemical which
5 is unsafe within the meaning of section 408 of the Federal
6 Food, Drug, and Cosmetic Act;
- 7 3. If it bears or contains any food additive which is unsafe
8 within the meaning of section 409 of the Federal Food, Drug,
9 and Cosmetic Act;
- 10 4. If it bears or contains any color additive which is unsafe
11 within the meaning of section ~~706~~721 of the Federal Food,
12 Drug, and Cosmetic Act: Provided, that an article which is
13 not otherwise deemed adulterated under paragraphs 2, 3, or 4
14 shall nevertheless be deemed adulterated if use of the
15 pesticide chemical, food additive, or color additive in or on
16 such article is prohibited by regulations of the Board in
17 official establishments;
- 18"
- 19

20 MODERNIZE FOREST RANGER STATUTES

21 SECTION 12.(a) G.S. 106-896 reads as rewritten:

22 "§ 106-896. Forest ~~rangers~~, rangers, deputy rangers, and emergency workers.

23 The Commissioner or the Commissioner's designee may ~~appoint one county forest ranger~~
24 ~~and one or more deputy forest rangers in each county of the State in which, after careful~~
25 ~~investigation, the amount of forestland and the risks from forest fires shall, in his judgment,~~
26 ~~warrant the establishment of a forest fire organization.~~ authorize as many forest rangers, deputy
27 rangers, or emergency workers as the Commissioner deems necessary and available. For
28 purposes of this Article, the following definitions apply:

- 29 (1) "Deputy ranger" means a highly trained emergency worker hired on a
30 temporary basis to respond to a given emergency or condition. A deputy
31 ranger shall be sworn or affirmed to the terms of "General Oath" as provided
32 in G.S. 11-11. A deputy ranger shall have the powers and duties as
33 enumerated in G.S. 106-899.
- 34 (2) "Emergency worker" means a person who is not an employee of the North
35 Carolina Forest Service but is an individual serving on a temporary basis in
36 case of fire, storm, snow, earthquake, flood, or other similar emergency.
37 Except for a deputy ranger, an emergency worker is not sworn or affirmed to
38 the terms of "General Oath" provided in G.S. 11-11.
- 39 (3) "Forest ranger" means an employee of the North Carolina Forest Service
40 who has been sworn or affirmed to the terms of "General Oath" provided in
41 G.S. 11-11. A forest ranger shall have the powers and duties as enumerated
42 in G.S. 106-898 and G.S. 106-899."

43 SECTION 12.(b) G.S. 106-899 reads as rewritten:

44 "§ 106-899. Powers of forest rangers and deputy rangers to prevent and extinguish fires; 45 authority to issue citations and warning tickets.

46 (a) Forest rangers or deputy rangers shall prevent and extinguish forest fires and shall
47 have control and direction of all persons and equipment while engaged in the extinguishing of
48 forest fires. During a season of drought, the Commissioner or his designate may establish a fire
49 patrol in any district, and in case of fire in or threatening any forest or woodland, the forest
50 ranger or deputy ranger shall attend forthwith and use all necessary means to confine and
51 extinguish such fire. The forest ranger ~~or deputy forest ranger~~ may summon any resident



1 between the ages of 18 and 45 years, inclusive, to assist in extinguishing fires and may require
2 the use of crawler tractors and other property needed for such purposes; any person so
3 summoned and who is physically able who refuses or neglects to assist or to allow the use of
4 equipment and such other property required shall be guilty of a Class 3 misdemeanor and upon
5 conviction shall only be subject to a fine of not less than fifty dollars (\$50.00) nor more than
6 one hundred dollars (\$100.00). No action for trespass shall lie against any forest ranger, deputy
7 ~~forest~~ ranger, or person summoned by ~~him~~ a forest ranger for crossing lands, backfiring,
8 burning out or performing his duties as a forest ranger or deputy ~~forest~~ ranger.

9 (b) Forest rangers are authorized to issue and serve citations under the terms of
10 G.S. 15A-302 and warning tickets under the terms of G.S. 106-901 for offenses under the forest
11 laws. This subsection may not be interpreted to confer the power of arrest on forest rangers, and
12 does not make them criminal justice officers within the meaning of G.S. 17C-2."

13 **SECTION 12.(c)** G.S. 106-902 reads as rewritten:

14 **"§ 106-902. Compensation of forest ~~rangers~~, rangers, deputy rangers, and emergency**
15 **workers.**

16 Forest ~~rangers~~ rangers, deputy rangers, and emergency workers shall receive compensation
17 from the Department at a reasonable rate to be fixed by said Department for the time actually
18 engaged in the performance of their duties; and reasonable expenses for equipment,
19 transportation, or food supplies incurred in the performance of their duties, according to an
20 itemized statement to be rendered the Commissioner every month, and approved by him. Forest
21 rangers shall render to the Commissioner a statement of the services rendered by the men
22 employed by them or their deputy rangers, as provided in this Article, within one month of the
23 date of service, which bill shall show in detail the amount and character of the service
24 performed, the exact duration thereof, the name of each person employed, and any other
25 information required by the Commissioner. If said bill be duly approved by the Commissioner,
26 it shall be paid by direction of the Department out of any funds provided for that purpose."

27 **SECTION 12.(d)** G.S. 106-907 reads as rewritten:

28 **"§ 106-907. Instructions on forest preservation and development.**

29 (a) It shall be the duty of all ~~district, county, township rangers, and all deputy forest~~
30 rangers provided for in this Chapter to distribute in all of the public schools and high schools of
31 the county in which they are serving as such ~~fire~~ forest rangers all such tracts, books,
32 periodicals and other literature that may, from time to time, be sent out to such rangers by the
33 State and federal forestry agencies touching or dealing with forest preservation, development,
34 and forest management.

35 (b) It shall be the duty of the ~~various forest~~ rangers herein mentioned under the
36 direction of the Commissioner, and the duty of the teachers of the various schools, both public
37 and high schools, to keep posted at some conspicuous place in the various classrooms of the
38 school buildings such appropriate bulletins and posters as may be sent out from the forestry
39 agencies herein named for that purpose and keep the same constantly before their pupils; and
40 said teachers and rangers shall prepare lectures or talks to be made to the pupils of the various
41 schools on the subject of forest fires, their origin and their destructive effect on the plant life
42 and tree life of the forests of the State, the development and scientific management of the
43 forests of the State, and shall be prepared to give practical instruction to their pupils from time
44 to time and as often as they shall find it possible so to do."

45 **SECTION 12.(e)** G.S. 106-941 reads as rewritten:

46 **"§ 106-941. Definitions.**

47 As used in this Article:

- 48 (1) "Department" means the Department of Agriculture and Consumer Services.
49 (2) "Forest ranger" means ~~the county forest ranger or deputy~~ a forest ranger
50 designated under ~~G.S. 106-896~~ G.S. 106-896(3).



(3) "Person" means any individual, firm, partnership, corporation, association, public or private institution, political subdivision, or government agency.

(4) "Woodland" means woodland as defined in G.S. 106-904."

SECTION 12.(f) G.S. 106-942 reads as rewritten:

"§ 106-942. High hazard counties; permits required; standards.

(a) The provisions of this section apply only to the counties of Beaufort, Bladen, Brunswick, Camden, Carteret, Chowan, Craven, Currituck, Dare, Duplin, Gates, Hyde, Jones, Onslow, Pamlico, Pasquotank, Perquimans, Tyrrell, and Washington which are classified as high hazard counties in accordance with G.S. 106-940.

(b) It is unlawful for any person to willfully start or cause to be started any fire in any woodland under the protection of the Department or within 500 feet of any such woodland without first having obtained a permit from the Department. Permits for starting fires may be obtained from forest rangers or other agents authorized by the ~~county~~ forest ranger to issue such permits in the county in which the fire is to be started. Such permits shall be issued by the ranger or other agent unless permits for the area in question have been prohibited or cancelled in accordance with G.S. 106-944 or G.S. 106-946.

...."

ALLOW EMERGENCY WORKERS TO RECEIVE WORKERS' COMPENSATION WHEN RESPONDING TO NONFIRE EMERGENCIES

SECTION 13. G.S. 97-2 reads as rewritten:

"§ 97-2. Definitions.

When used in this Article, unless the context otherwise requires:

...

(2) Employee. – The term "employee" means every person engaged in an employment under any appointment or contract of hire or apprenticeship, express or implied, oral or written, including aliens, and also minors, whether lawfully or unlawfully employed, but excluding persons whose employment is both casual and not in the course of the trade, business, profession, or occupation of his employer, and as relating to those so employed by the State, the term "employee" shall include all officers and employees of the State, including such as are elected by the people, or by the General Assembly, or appointed by the Governor to serve on a per diem, part-time or fee basis, either with or without the confirmation of the Senate; as relating to municipal corporations and political subdivisions of the State, the term "employee" shall include all officers and employees thereof, including such as are elected by the people. The term "employee" shall include members of the North Carolina National Guard while on State active duty under orders of the Governor and members of the North Carolina State Defense Militia while on State active duty under orders of the Governor. The term "employee" shall include deputy sheriffs and all persons acting in the capacity of deputy sheriffs, whether appointed by the sheriff or by the governing body of the county and whether serving on a fee basis or on a salary basis, or whether deputy sheriffs serving upon a full-time basis or a part-time basis, and including deputy sheriffs appointed to serve in an emergency, but as to those so appointed, only during the continuation of the emergency. The sheriff shall furnish to the board of county commissioners a complete list of all deputy sheriffs named or appointed by him immediately after their appointment and notify the board of commissioners of any changes made therein promptly after such changes are made. Any reference to an employee who has been injured shall, when the employee is dead,



1 include also the employee's legal representative, dependents, and other
2 persons to whom compensation may be payable: Provided, further, that any
3 employee, as herein defined, of a municipality, county, or of the State of
4 North Carolina, while engaged in the discharge of the employee's official
5 duty outside the jurisdictional or territorial limits of the municipality, county,
6 or the State of North Carolina and while acting pursuant to authorization or
7 instruction from any superior officer, shall have the same rights under this
8 Article as if such duty or activity were performed within the territorial
9 boundary limits of their employer.

10 Except as otherwise provided herein, every executive officer elected or
11 appointed and empowered in accordance with the charter and bylaws of a
12 corporation shall be considered as an employee of such corporation under
13 this Article.

14 Any such executive officer of a corporation may, notwithstanding any
15 other provision of this Article, be exempt from the coverage of the
16 corporation's insurance contract by such corporation's specifically excluding
17 such executive officer in such contract of insurance, and the exclusion to
18 remove such executive officer from the coverage shall continue for the
19 period such contract of insurance is in effect, and during such period such
20 executive officers thus exempted from the coverage of the insurance contract
21 shall not be employees of such corporation under this Article.

22 All county agricultural extension service employees who do not receive
23 official federal appointments as employees of the United States Department
24 of Agriculture and who are field faculty members with professional rank as
25 designated in the memorandum of understanding between the North
26 Carolina Agricultural Extension Service, North Carolina State University, A
27 & T State University, and the boards of county commissioners shall be
28 deemed to be employees of the State of North Carolina. All other county
29 agricultural extension service employees paid from State or county funds
30 shall be deemed to be employees of the county board of commissioners in
31 the county in which the employee is employed for purposes of workers'
32 compensation.

33 The term "employee" shall also include members of the Civil Air Patrol
34 currently certified pursuant to G.S. 143B-1031(a) when performing duties in
35 the course and scope of a State-approved mission pursuant to Subpart C of
36 Part 5 of Article 13 of Chapter 143B of the General Statutes.

37 "Employee" shall not include any person performing voluntary service as
38 a ski patrolman who receives no compensation for such services other than
39 meals or lodging or the use of ski tow or ski lift facilities or any combination
40 thereof.

41 "Employee" shall not include any person elected or appointed and
42 empowered as an executive officer, director, or committee member under the
43 charter, articles, or bylaws of a nonprofit corporation subject to Chapter
44 47A, 47C, 47F, 55A, or 59B of the General Statutes, or any organization
45 exempt from federal income tax under section 501(c)(3) of the Internal
46 Revenue Code, who performs only voluntary service for the nonprofit
47 corporation, provided that the person receives no remuneration for the
48 voluntary service other than reasonable reimbursement for expenses incurred
49 in connection with the voluntary service. When a nonprofit corporation as
50 described herein employs one or more persons who do receive remuneration
51 other than reasonable reimbursement for expenses, then any volunteer



1 officers, directors, or committee members excluded from the definition of
2 "employee" by operation of this paragraph shall be counted as employees for
3 the sole purpose of determining the number of persons regularly employed
4 in the same business or establishment pursuant to G.S. 97-2(1). Other than
5 for the limited purpose of determining the number of persons regularly
6 employed in the same business or establishment, such volunteer nonprofit
7 officers, directors, or committee members shall not be "employees" under
8 the Act. Nothing herein shall prohibit a nonprofit corporation as described
9 herein from voluntarily electing to provide for workers' compensation
10 benefits in the manner provided in G.S. 97-93 for volunteer officers,
11 directors, or committee members excluded from the definition of
12 "employee" by operation of this paragraph. This paragraph shall not apply to
13 any volunteer firefighter, volunteer member of an organized rescue squad, an
14 authorized ~~pickup firefighter-emergency worker~~ when that individual is
15 engaged in emergency fire suppression activities for the North Carolina
16 Forest Service, a duly appointed and sworn member of an auxiliary police
17 department organized pursuant to G.S. 160A-282, or a senior member of the
18 State Civil Air Patrol functioning under Subpart C of Part 5 of Article 13 of
19 Chapter 143B of the General Statutes, even if such person is elected or
20 appointed and empowered as an executive officer, director, or committee
21 member under the charter, articles, or bylaws of a nonprofit corporation as
22 described herein.

23 Any sole proprietor or partner of a business or any member of a limited
24 liability company may elect to be included as an employee under the
25 workers' compensation coverage of such business if he or she is actively
26 engaged in the operation of the business and if the insurer is notified of his
27 election to be so included. Any such sole proprietor or partner or member of
28 a limited liability company shall, upon such election, be entitled to employee
29 benefits and be subject to employee responsibilities prescribed in this
30 Article.

31 "Employee" shall include an authorized ~~pickup firefighter-emergency~~
32 worker of the North Carolina Forest Service of the Department of
33 Agriculture and Consumer Services when that individual is engaged in
34 emergency ~~fire suppression~~ activities for the North Carolina Forest Service.
35 As used in this section, "authorized ~~pickup firefighter~~"emergency worker"
36 means an individual who has completed required ~~fire suppression-emergency~~
37 response training as ~~a wildland firefighter required by the North Carolina~~
38 Forest Service and who is available as needed by the North Carolina Forest
39 Service for emergency ~~fire suppression~~ activities, including immediate
40 dispatch to ~~wildfires~~ wildfires, snow events, hurricanes, earthquakes, floods,
41 or other emergencies, and standby for initial attack on fires during periods of
42 high fire danger.

43 It shall be a rebuttable presumption that the term "employee" shall not
44 include any person performing services in the sale of newspapers or
45 magazines to ultimate consumers under an arrangement whereby the
46 newspapers or magazines are to be sold by that person at a fixed price and
47 the person's compensation is based on the retention of the excess of the fixed
48 price over the amount at which the newspapers or magazines are charged to
49 the person.

50"
51



CREATE EXCEPTION FROM CONSERVATION BENEFIT ANALYSIS FOR CERTAIN EASEMENTS

SECTION 14. G.S. 121-39.1 reads as rewritten:

"§ 121-39.1. Termination or modification of agreements.

...

(g) This section shall not apply to a condemnation action initiated by a condemnor governed by Article 6 of Chapter 40A of the General ~~Statutes~~ Statutes or to a voluntary termination or modification affecting no more than the lesser of two percent (2%) or one acre of the total easement area of the conservation agreement when requested by a public utility, the Department of Transportation, or a government entity having eminent domain authority under Article 3 of Chapter 40A of the General Statutes."

EXEMPT FARM TRUCKS THAT STAY IN STATE FROM HAVING A USDOT IDENTIFICATION NUMBER

SECTION 15. G.S. 20-101 reads as rewritten:

"§ 20-101. Certain business vehicles to be marked.

(a) A motor vehicle that is subject to 49 C.F.R. Part 390, the federal motor carrier safety regulations, shall be marked as required by that Part.

(b) A motor vehicle with a gross vehicle weight rating of more than 26,000 pounds that is used in intrastate commerce shall have (i) the name of the owner and (ii) the motor carrier's identification number preceded by the letters "USDOT" and followed by the letters "NC" printed on each side of the vehicle in letters not less than three inches in height. The provisions of this subsection shall not apply if any of the following are true:

(1) The motor vehicle is subject to 49 C.F.R. Part 390.

(2) The motor vehicle is of a type listed in 49 C.F.R. 390.3(f).

(3) The motor vehicle is licensed at the farmer rate under G.S. 20-88.

(c) A motor vehicle that is subject to regulation by the North Carolina Utilities Commission shall be marked as required by that Commission and as otherwise required by this section.

(d) A motor vehicle equipped to tow or transport another motor vehicle, hired for the purpose of towing or transporting another motor vehicle, shall have the name and address of the registered owner of the vehicle, and the name of the business or person being hired if different, printed on each side of the vehicle in letters not less than three inches in height. This subsection shall not apply to motor vehicles subject to 49 C.F.R. Part 390."

EXEMPT CLOSURE OF HOG LAGOONS FROM REQUIRING THE USE OF A PROFESSIONAL ENGINEER

SECTION 16. G.S. 89C-25 reads as rewritten:

"§ 89C-25. Limitations on application of Chapter.

This Chapter shall not prevent the following activities:

(1) The practice of architecture as defined in Chapter 83A of the General Statutes, landscape architecture as defined in Chapter 89A of the General Statutes, or contracting as defined in Articles 1, 2, 4, and 5 of Chapter 87 of the General Statutes.

(2) Repealed by Session Laws 2011-304, s. 7, effective June 26, 2011.

(3) Repealed by Session Laws 2011-304, s. 7, effective June 26, 2011.

(4) Engaging in engineering or land surveying as an employee or assistant under the responsible charge of a professional engineer or professional land surveyor.

(5) The practice of professional engineering or land surveying by any person not a resident of, and having no established place of business in this State, as a



consulting associate of a professional engineer or professional land surveyor licensed under the provisions of this Chapter; provided, the nonresident is qualified for performing the professional service in the person's own state or country.

- (6) Practice by members of the Armed Forces of the United States; employees of the government of the United States while engaged in the practice of engineering or land surveying solely for the government on government-owned works and projects; or practice by those employees of the Natural Resources Conservation Service, county employees, or employees of the Soil and Water Conservation Districts who have federal engineering job approval authority that involves the planning, designing, or implementation of best management practices on agricultural lands.

- (7) Repealed by Session Laws 2014-120, s. 11(a), effective September 18, 2014.

- (7a) The engineering or surveying activities of a person as defined by G.S. 89C-3(5) who is engaged in manufacturing, processing, producing, or transmitting and delivering a product or public utility service, and which activities are reasonably necessary and connected with the primary services performed by individuals regularly employed in the ordinary course of business by the person, provided that the engineering or surveying activity is not a holding out or an offer to the public of engineering or surveying services, as prohibited by this Chapter. The engineering and surveying services may not be offered, performed, or rendered independently from the primary services rendered by the person. For purposes of this subdivision, "activities reasonably necessary and connected with the primary service" include the following:

- a. Installation or servicing of the person's product or public utility service by employees of the person conducted outside the premises of the person's business.
- b. Design, acquisition, installation, or maintenance of machinery, equipment, or apparatus incidental to the manufacture or installation of the product or public utility service performed by employees of the person upon property owned, leased, or used by the person.
- c. Research and development performed in connection with the manufacturing, processing, or production of the person's product or public utility service by employees of the person.

Engineering or surveying activities performed pursuant to this subdivision, where the safety of the public is directly involved, shall be under the responsible charge of a licensed professional engineer or licensed professional surveyor.

- (8) The (i) preparation of fire sprinkler planning and design drawings by a fire sprinkler contractor licensed under Article 2 of Chapter 87 of the General Statutes, or (ii) the performance of internal engineering or survey work by a manufacturing or communications common carrier company, or by a research and development company, or by employees of those corporations provided that the work is in connection with, or incidental to products of, or nonengineering services rendered by those corporations or their affiliates.

- (9) The routine maintenance or servicing of machinery, equipment, facilities or structures, the work of mechanics in the performance of their established functions, or the inspection or supervision of construction by a foreman, superintendent, or agent of the architect or professional engineer, or services of an operational nature performed by an employee of a laboratory, a



- 1 manufacturing plant, a public service corporation, or governmental
2 operation.
- 3 (10) The design of land application irrigation systems for an animal waste
4 management plan, required by G.S. 143-215.10C, by a designer who
5 exhibits, by at least three years of relevant experience, proficiency in soil
6 science and basic hydraulics, and who is thereby listed as an Irrigation
7 Design Technical Specialist by the North Carolina Soil and Water
8 Conservation Commission.
- 9 (11) The decommissioning of waste impoundments for animal waste
10 management systems, as defined by G.S. 143-215.10B(3), by a person who
11 is designated as a Technical Specialist in the Waste Utilization Plan/Nutrient
12 Management Category by the North Carolina Soil and Water Conservation
13 Commission. This subsection shall not apply to the design or installation of a
14 spillway."

15
16 **EXEMPT FARM VEHICLES ENGAGED IN INTRASTATE COMMERCE FROM**
17 **CERTAIN FEDERAL MOTOR CARRIER SAFETY REGULATIONS**

18 **SECTION 17.** G.S. 20-381 is amended by adding a new subsection to read:

19 **"§ 20-381. Specific powers and duties of Department of Public Safety applicable to motor**
20 **carriers; agricultural exemption.**

21 (a) The Department of Public Safety has the following powers and duties concerning
22 motor carriers:

- 23 (1) To prescribe qualifications and maximum hours of service of drivers and
24 their helpers.
- 25 (1a) To set safety standards for vehicles of motor carriers engaged in foreign,
26 interstate, or intrastate commerce over the highways of this State and for the
27 safe operation of these vehicles. The Department of Public Safety may stop,
28 enter upon, and perform inspections of motor carriers' vehicles in operation
29 to determine compliance with these standards and may conduct any
30 investigations and tests it finds necessary to promote the safety of equipment
31 and the safe operation on the highway of these vehicles.
- 32 (1b) To enforce this Article, rules adopted under this Article, and the federal
33 safety and hazardous materials regulations.
- 34 (2) To enter the premises of a motor carrier to inspect a motor vehicle or any
35 equipment used by the motor carrier in transporting passengers or property.
- 36 (2a) To prohibit the use by a motor carrier of any motor vehicle or motor vehicle
37 equipment the Department of Public Safety finds, by reason of its
38 mechanical condition or loading, would be likely to cause a crash or
39 breakdown in the transportation of passengers or property on a highway. If
40 an agent of the Department of Public Safety finds a motor vehicle of a motor
41 carrier in actual use upon the highways in the transportation of passengers or
42 property that, by reason of its mechanical condition or loading, would be
43 likely to cause a crash or breakdown, the agent shall declare the vehicle "Out
44 of Service." The agent shall require the operator thereof to discontinue its
45 use and to substitute therefor a safe vehicle, parts or equipment at the earliest
46 possible time and place, having regard for both the convenience and the
47 safety of the passengers or property. When an inspector or agent stops a
48 motor vehicle on the highway, under authority of this section, and the motor
49 vehicle is declared "Out of Service," no motor carrier operator shall require,
50 or permit, any person to operate, nor shall any person operate, any motor
51 vehicle equipment declared "Out of Service" until all repairs required by the



"Out of Service" notice have been satisfactorily completed. Such agents or inspectors shall also have the right to stop any motor vehicle which is being used upon the public highways for the transportation of passengers or property by a motor carrier subject to the provisions of this Article and to eject therefrom any driver or operator who shall be operating or be in charge of such motor vehicle while under the influence of alcoholic beverages or impairing substances. It shall be the duty of all inspectors and agents of the Department of Public Safety to make a written report, upon a form prescribed by the Department of Public Safety, of inspections of all motor equipment and a copy of each such written report, disclosing defects in such equipment, shall be served promptly upon the motor carrier operating the same, either in person by the inspector or agent or by mail. Such agents and inspectors shall also make and serve a similar written report in cases where a motor vehicle is operated in violation of this Chapter or, if the motor vehicle is subject to regulation by the North Carolina Utilities Commission, of Chapter 62 of the General Statutes.

(3) To relieve the highways of all undue burdens and safeguard traffic thereon by adopting and enforcing rules and orders designed and calculated to minimize the dangers attending transportation on the highways of all hazardous materials and other commodities.

(4) To determine the safety fitness of intrastate motor carriers, to assign safety ratings to intrastate motor carriers as defined in 49 C.F.R. § 385.3, to direct intrastate motor carriers to take remedial action when required, to prohibit the operation of intrastate motor carriers rated unsatisfactory, to determine whether the continued operations of intrastate motor carriers pose an "imminent hazard" as defined in 49 C.F.R. § 386.72(b)(1), and to prohibit the operation of an intrastate motor carrier found to be an "imminent hazard" as defined in 49 C.F.R. § 386.72(b)(1).

(5) To prohibit the intrastate operation of a motor carrier subject to an order issued by the Federal Motor Carrier Safety Administration to cease all operations based on a finding that the continued operations of the motor carrier pose an "imminent hazard" as defined in 49 C.F.R. § 386.72(b)(1).

(b) The definitions set out in 49 Code of Federal Regulations § 171.8 apply to this subsection. The transportation of an agricultural product, other than a Class 2 material, over local roads between fields of the same farm by a farmer operating as an intrastate private motor carrier is exempt from the requirements of Parts 171 through 180 of 49 CFR as provided in 49 CFR § 173.5(a). The transportation of an agricultural product to or from a farm within 150 miles of the farm by a farmer operating as an intrastate private motor carrier is exempt from the requirements of Subparts G and H of Part 172 of 49 CFR as provided in 49 CFR § 173.5(b).

(c) For purposes of 49 C.F.R. § 395.1(k) and any other federal law or regulation relating to hours-of-service rules for drivers engaged in the transportation of agricultural commodities and farm supplies for agricultural purposes, the terms "planting and harvesting season" and "planting and harvesting period" refer to the period from January 1 through December 31 of each year.

(d) The definitions set out in 49 C.F.R. § 390.5 apply to this subsection. A covered farm vehicle engaged in intrastate commerce is exempt from the requirements of 49 C.F.R. § 390.21."

SECTION 17.1.(a) Rule. – Until the effective date of the revised permanent rule that the State Highway Patrol is required to adopt pursuant to subsection (c) of this section, the State Highway Patrol shall implement 14B NCAC 07C .0101 (Safety of Operation and Equipment) as provided in subsection (b) of this section.



1 **SECTION 17.1.(b)** Implementation. – Notwithstanding 14B NCAC 07C .0101, the
2 State Highway Patrol shall exempt covered farm vehicles engaged in intrastate commerce from
3 the requirements of 49 C.F.R. § 390.21.

4 **SECTION 17.1.(c)** Additional Rule-Making Authority. – The State Highway
5 Patrol shall adopt rules to amend 14B NCAC 07C .0101, consistent with subsection (b) of this
6 section.

7 **SECTION 17.1.(d)** Effective Date. – Subsection (b) of this section expires on the
8 date that rules adopted pursuant to subsection (c) of this section become effective. The
9 remainder of this section is effective when it becomes law.

10
11 **DISQUALIFY CERTAIN PROPERTY FROM THE PRESENT-USE VALUE**
12 **CLASSIFICATION**

13 **SECTION 18.(a)** G.S. 105-277.4(c) reads as rewritten:

14 "(c) Deferred Taxes. – Land meeting the conditions for classification under
15 G.S. 105-277.3 must be taxed on the basis of the value of the land for its present use. The
16 difference between the taxes due on the present-use basis and the taxes that would have been
17 payable in the absence of this classification, together with any interest, penalties, or costs that
18 may accrue thereon, are a lien on the real property of the taxpayer as provided in
19 G.S. 105-355(a). The difference in taxes must be carried forward in the records of the taxing
20 unit or units as deferred taxes. The deferred taxes for the preceding three fiscal years are due
21 and payable in accordance with G.S. 105-277.1F when the property loses its eligibility for
22 deferral as a result of a disqualifying event. A disqualifying event occurs when ~~the land fails to~~
23 ~~meet any condition or requirement for classification or when an application is not approved.~~any
24 one or more of the following conditions are met:

25 (1) The land fails to meet any condition or requirement for classification.

26 (2) An application is not approved.

27 (3) A solar energy electric system receiving the exclusion under
28 G.S. 105-275(45) is located on the land, and the energy generated by the
29 system is not solely used by the owner for the benefit of the land."

30 **SECTION 18.(b)** This section is effective for taxes imposed for taxable years
31 beginning on or after July 1, 2017.

32
33 **AUTHORIZE WINE SALES AT FARMERS MARKETS**

34 **SECTION 19.** G.S. 18B-1114.1 reads as rewritten:

35 **"§ 18B-1114.1. Authorization of winery special event permit.**

36 (a) Authorization. – The holder of an unfortified winery permit, a limited winery
37 permit, a viticulture/enology course authorization, or a wine producer permit may obtain a
38 winery special permit allowing the winery or wine producer to give free tastings of its wine,
39 and to sell its wine by the glass or in closed containers, at trade shows, conventions, shopping
40 malls, wine festivals, street festivals, holiday festivals, agricultural festivals, farmers markets,
41 balloon races, local fund-raisers, and other similar events approved by the Commission.

42 (b) Limitation. – A winery special event permit is valid only in a jurisdiction that has
43 approved the establishment of ABC stores or has approved the sale of unfortified wine."

44 **SECTION 20.(a)** G.S. 105-164.13E reads as rewritten:

45 **"§ 105-164.13E. Exemption for farmers.**

46 (a) Exemption. – A qualifying farmer is a person who has an annual income from
47 farming operations for the preceding taxable year of ten thousand dollars (\$10,000) or more or
48 who has an average annual income from farming operations for the three preceding taxable
49 years of ten thousand dollars (\$10,000) or more. For purposes of this section, the term "income
50 from farming operations" means sales plus any other amounts treated as gross income under the
51 Code from farming operations. A qualifying farmer includes a dairy operator, a poultry farmer,



an egg producer, a livestock farmer, a farmer of crops, and a farmer of an aquatic species, as defined in G.S. 106-758. A qualifying farmer may apply to the Secretary for an exemption certificate number under G.S. 105-164.28A. The exemption certificate expires when a person fails to meet the income threshold for three consecutive taxable years or ceases to engage in farming operations, whichever comes first.

The following tangible personal property, digital property, and services are exempt from sales and use tax if purchased by a qualifying farmer and for use by the farmer in farming operations. For purposes of this section, an item is used by a farmer for farming operations if it is used for the planting, cultivating, harvesting, or curing of farm crops or in the production of dairy products, eggs, or animals:

- (1) Fuel, piped natural gas, and electricity that are measured by a separate meter or another separate device and used for a purpose other than preparing food, heating dwellings, and other household purposes.
- (2) Commercial fertilizer, lime, land plaster, plastic mulch, plant bed covers, potting soil, baler twine, and seeds.
- (3) Farm machinery, attachment and repair parts for farm machinery, and lubricants applied to farm machinery. The term "machinery" includes implements that have moving parts or are operated or drawn by an animal. The term does not include implements operated wholly by hand or motor vehicles required to be registered under Chapter 20 of the General Statutes.
- (4) A container used in the planting, cultivating, harvesting, or curing of farm crops or in the production of dairy products, eggs, or animals or used in packaging and transporting the farmer's product for sale.
- (5) A grain, feed, or soybean storage facility and parts and accessories attached to the facility.
- (6) Any of the following substances when purchased for use on animals or plants, as appropriate, held or produced for commercial purposes. This exemption does not apply to any equipment or devices used to administer, release, apply, or otherwise dispense these substances:
 - a. Remedies, vaccines, medications, litter materials, and feeds for animals.
 - b. Rodenticides, insecticides, herbicides, fungicides, and pesticides.
 - c. Defoliant for use on cotton or other crops.
 - d. Plant growth inhibitors, regulators, or stimulators, including systemic and contact or other sucker control agents for tobacco and other crops.
 - e. Semen.
- (7) Baby chicks and poults sold for commercial poultry or egg production.
- (8) Any of the following items concerning the housing, raising, or feeding of animals:
 - a. A commercially manufactured facility to be used for commercial purposes for housing, raising, or feeding animals or for housing equipment necessary for these commercial activities. The exemption also applies to commercially manufactured equipment, and parts and accessories for the equipment, used in the facility.
 - b. Building materials, supplies, fixtures, and equipment that become a part of and are used in the construction, repair, or improvement of an enclosure or a structure specifically designed, constructed, and used for housing, raising, or feeding animals or for housing equipment necessary for one of these commercial activities. The exemption also



1 applies to commercially manufactured equipment, and parts and
2 accessories for the equipment, used in the enclosure or a structure.
3 (9) A bulk tobacco barn or rack, parts and accessories attached to the tobacco
4 barn or rack, and any similar apparatus, part, or accessory used to cure or dry
5 tobacco or another crop.

6 (10) Repair, maintenance, and installation services.

7 (b) Conditional Exemption. – A person who does not meet the definition of a qualifying
8 farmer in subsection (a) of this section may apply to the Department for a conditional
9 exemption certificate under G.S. 105-164.28A. A person with a conditional exemption
10 certificate is allowed to purchase items exempt from sales and use tax to the same extent as a
11 qualifying farmer under subsection (a) of this section. To receive a conditional exemption
12 certificate under this subsection, the person must certify that the person intends to engage in
13 farming operations, as that term is described in subsection (a) of this section, and that the
14 person will timely file State and federal income tax returns that reflect income and expenses
15 incurred from farming operations during the taxable years that the conditional exemption
16 certificate applies.

17 A conditional exemption certificate issued under this subsection is valid for the taxable year
18 in which the certificate is issued and the following two taxable years, provided the person to
19 whom the certificate is issued is engaged in farming and provides copies of applicable State
20 and federal income tax returns to the Department within 90 days following the due date of an
21 income tax return for each taxable year covered by the conditional exemption certificate,
22 including an extension of the due date granted by the Secretary under G.S. 105-263. A
23 conditional exemption certificate issued under this subsection may not be extended or renewed
24 beyond the original three-year ~~period-period~~; provided that a person may request a one-year
25 extension of their conditional exemption certificate if the person satisfies all of the following
26 conditions.

- 27 (1) The person holds a conditional exemption certificate that is scheduled to
28 expire within 30 days of an extension request.
29 (2) The person suffers a weather-related disaster that prevents the person from
30 becoming eligible for a qualifying exemption certificate.
31 (3) The person provides the Department all of the following:
32 a. Documents showing that, but for the disaster, the person would have
33 earned ten thousand (\$10,000) or more in gross sales for the year in
34 which the disaster occurred.
35 b. Documentation of revenues and expenses relating to the damaged
36 crop.
37 c. An affidavit from a county extension director or FSA county
38 committee that the disaster occurred in the area of the county in
39 which the person farms.

40 The Department may not issue a conditional exemption certificate to a person who has had
41 a conditional exemption certificate issued under this subsection during the prior 15 taxable
42 years.

43 A person who purchases items with a conditional exemption certificate must maintain
44 documentation of the items purchased and copies of State and federal income tax returns that
45 reflect activities from farming operations for the period of time covered by the conditional
46 exemption certificate for three years following the expiration of the conditional exemption
47 certificate. The Secretary may require a person who has a conditional exemption certificate to
48 provide any other information requested by the Secretary to verify the person met the
49 conditions of this subsection. A person who fails to provide the information requested by the
50 Secretary in a timely manner or who fails to meet the requirements of this subsection becomes
51 liable for any taxes for which an exemption under this subsection was claimed. The taxes



1 become due and payable at the expiration of the conditional exemption certificate, and interest
2 accrues from the date of the original purchase. Additionally, where the person does not timely
3 provide the information requested by the Secretary, the misuse of exemption certificate penalty
4 in G.S. 105-236(a)(5a) applies to each seller identified by the Department from which the
5 person made a purchase.

6 (c) Contract with a Farmer. – A qualifying item listed in subdivisions (5), (8), and (9) of
7 subsection (a) of this section purchased to fulfill a contract with a person who holds a
8 qualifying farmer exemption certificate or a conditional farmer exemption certificate issued
9 under G.S. 105-164.28A is exempt from sales and use tax to the same extent as if purchased
10 directly by the person who holds the exemption certificate. A contractor that purchases one of
11 the items allowed an exemption under this section must provide an exemption certificate to the
12 retailer that includes the name of the qualifying farmer or conditional farmer exemption
13 certificate holder and the qualifying farmer or conditional farmer exemption certificate number
14 issued to that holder.

15 (d) Definition. – For purposes of this section, the term "taxable year" has the same
16 meaning as defined in G.S. 105-153.3."

17 **SECTION 20.(b)** This section is effective for taxes imposed for taxable years
18 beginning on or after July 1, 2017.

19
20 **SEVERABILITY/EFFECTIVE DATE**

21 **SECTION 21.** If any provision of this act or the application thereof to any person
22 or circumstances is held invalid, such invalidity shall not affect other provisions or applications
23 of this act which can be given effect without the invalid provision or application, and, to this
24 end, the provisions of this act are declared to be severable.

25 **SECTION 22.** Except as otherwise provided, this act is effective when it becomes
26 law.





**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 615**

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

S615-ATS-11 [v.1]

Page 1 of 4

Amends Title [NO]
S615-CSRIx-24

Date _____, 2017

Representative Bert Jones

moves to amend the bill on page 20, lines 43 and 44,
by inserting between those lines:

"SECTION 20.(a) G.S. 105-164.13E reads as rewritten:

"§ 105-164.13E. Exemption for farmers.

(a) Exemption. – A qualifying farmer is a person who has an annual income from farming operations for the preceding taxable year of ten thousand dollars (\$10,000) or more or who has an average annual income from farming operations for the three preceding taxable years of ten thousand dollars (\$10,000) or more. For purposes of this section, the term "income from farming operations" means sales plus any other amounts treated as gross income under the Code from farming operations. A qualifying farmer includes a dairy operator, a poultry farmer, an egg producer, a livestock farmer, a farmer of crops, and a farmer of an aquatic species, as defined in G.S. 106-758. A qualifying farmer may apply to the Secretary for an exemption certificate number under G.S. 105-164.28A. The exemption certificate expires when a person fails to meet the income threshold for three consecutive taxable years or ceases to engage in farming operations, whichever comes first.

The following tangible personal property, digital property, and services are exempt from sales and use tax if purchased by a qualifying farmer and for use by the farmer in farming operations. For purposes of this section, an item is used by a farmer for farming operations if it is used for the planting, cultivating, harvesting, or curing of farm crops or in the production of dairy products, eggs, or animals:

- (1) Fuel, piped natural gas, and electricity that are measured by a separate meter or another separate device and used for a purpose other than preparing food, heating dwellings, and other household purposes.
- (2) Commercial fertilizer, lime, land plaster, plastic mulch, plant bed covers, potting soil, baler twine, and seeds.
- (3) Farm machinery, attachment and repair parts for farm machinery, and lubricants applied to farm machinery. The term "machinery" includes implements that have moving parts or are operated or drawn by an animal. The term does not include implements operated wholly by hand or motor vehicles required to be registered under Chapter 20 of the General Statutes.



* S 6 1 5 - A T S - 1 1 - V - 1 *

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 615

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

S615-ATS-11 [v.1]

Page 2 of 4

- 1 (4) A container used in the planting, cultivating, harvesting, or curing of farm
2 crops or in the production of dairy products, eggs, or animals or used in
3 packaging and transporting the farmer's product for sale.
- 4 (5) A grain, feed, or soybean storage facility and parts and accessories attached
5 to the facility.
- 6 (6) Any of the following substances when purchased for use on animals or
7 plants, as appropriate, held or produced for commercial purposes. This
8 exemption does not apply to any equipment or devices used to administer,
9 release, apply, or otherwise dispense these substances:
- 10 a. Remedies, vaccines, medications, litter materials, and feeds for
11 animals.
- 12 b. Rodenticides, insecticides, herbicides, fungicides, and pesticides.
- 13 c. Defoliants for use on cotton or other crops.
- 14 d. Plant growth inhibitors, regulators, or stimulators, including systemic
15 and contact or other sucker control agents for tobacco and other
16 crops.
- 17 e. Semen.
- 18 (7) Baby chicks and poults sold for commercial poultry or egg production.
- 19 (8) Any of the following items concerning the housing, raising, or feeding of
20 animals:
- 21 a. A commercially manufactured facility to be used for commercial
22 purposes for housing, raising, or feeding animals or for housing
23 equipment necessary for these commercial activities. The exemption
24 also applies to commercially manufactured equipment, and parts and
25 accessories for the equipment, used in the facility.
- 26 b. Building materials, supplies, fixtures, and equipment that become a
27 part of and are used in the construction, repair, or improvement of an
28 enclosure or a structure specifically designed, constructed, and used
29 for housing, raising, or feeding animals or for housing equipment
30 necessary for one of these commercial activities. The exemption also
31 applies to commercially manufactured equipment, and parts and
32 accessories for the equipment, used in the enclosure or a structure.
- 33 (9) A bulk tobacco barn or rack, parts and accessories attached to the tobacco
34 barn or rack, and any similar apparatus, part, or accessory used to cure or dry
35 tobacco or another crop.
- 36 (10) Repair, maintenance, and installation services.
- 37 (b) Conditional Exemption. – A person who does not meet the definition of a qualifying
38 farmer in subsection (a) of this section may apply to the Department for a conditional
39 exemption certificate under G.S. 105-164.28A. A person with a conditional exemption
40 certificate is allowed to purchase items exempt from sales and use tax to the same extent as a
41 qualifying farmer under subsection (a) of this section. To receive a conditional exemption
42 certificate under this subsection, the person must certify that the person intends to engage in
43 farming operations, as that term is described in subsection (a) of this section, and that the



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 615

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

S615-ATS-11 [v.1]

Page 3 of 4

1 person will timely file State and federal income tax returns that reflect income and expenses
2 incurred from farming operations during the taxable years that the conditional exemption
3 certificate applies.

4 A conditional exemption certificate issued under this subsection is valid for the taxable year
5 in which the certificate is issued and the following two taxable years, provided the person to
6 whom the certificate is issued is engaged in farming and provides copies of applicable State
7 and federal income tax returns to the Department within 90 days following the due date of an
8 income tax return for each taxable year covered by the conditional exemption certificate,
9 including an extension of the due date granted by the Secretary under G.S. 105-263. A
10 conditional exemption certificate issued under this subsection may not be extended or renewed
11 beyond the original three-year ~~period-period~~; provided that a person may request a one-year
12 extension of their conditional exemption certificate if the person satisfies all of the following
13 conditions.

- 14 (1) The person holds a conditional exemption certificate that is scheduled to
15 expire within 30 days of an extension request.
16 (2) The person suffers a weather-related disaster that prevents the person from
17 becoming eligible for a qualifying exemption certificate.
18 (3) The person provides the Department all of the following:
19 a. Documents showing that, but for the disaster, the person would have
20 earned ten thousand (\$10,000) or more in gross sales for the year in
21 which the disaster occurred.
22 b. Documentation of revenues and expenses relating to the damaged
23 crop.
24 c. An affidavit from a county extension director or FSA county
25 committee that the disaster occurred in the area of the county in
26 which the person farms.

27 The Department may not issue a conditional exemption certificate to a person who has had
28 a conditional exemption certificate issued under this subsection during the prior 15 taxable
29 years.

30 A person who purchases items with a conditional exemption certificate must maintain
31 documentation of the items purchased and copies of State and federal income tax returns that
32 reflect activities from farming operations for the period of time covered by the conditional
33 exemption certificate for three years following the expiration of the conditional exemption
34 certificate. The Secretary may require a person who has a conditional exemption certificate to
35 provide any other information requested by the Secretary to verify the person met the
36 conditions of this subsection. A person who fails to provide the information requested by the
37 Secretary in a timely manner or who fails to meet the requirements of this subsection becomes
38 liable for any taxes for which an exemption under this subsection was claimed. The taxes
39 become due and payable at the expiration of the conditional exemption certificate, and interest
40 accrues from the date of the original purchase. Additionally, where the person does not timely
41 provide the information requested by the Secretary, the misuse of exemption certificate penalty
42 in G.S. 105-236(a)(5a) applies to each seller identified by the Department from which the
43 person made a purchase.

**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 615**

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

S615-ATS-11 [v.1]

Page 4 of 4

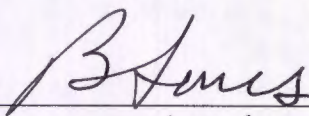
1 (c) Contract with a Farmer. – A qualifying item listed in subdivisions (5), (8), and (9) of
2 subsection (a) of this section purchased to fulfill a contract with a person who holds a
3 qualifying farmer exemption certificate or a conditional farmer exemption certificate issued
4 under G.S. 105-164.28A is exempt from sales and use tax to the same extent as if purchased
5 directly by the person who holds the exemption certificate. A contractor that purchases one of
6 the items allowed an exemption under this section must provide an exemption certificate to the
7 retailer that includes the name of the qualifying farmer or conditional farmer exemption
8 certificate holder and the qualifying farmer or conditional farmer exemption certificate number
9 issued to that holder.

10 (d) Definition. – For purposes of this section, the term "taxable year" has the same
11 meaning as defined in G.S. 105-153.3."

12 **SECTION 20.(b)** This section is effective for taxes imposed for taxable years
13 beginning on or after July 1, 2017.";

14
15 and renumbering the remaining sections accordingly.
16

SIGNED



Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED





NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 615

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

S615-ATF-1 [v.3]

Page 1 of 1

Amends Title [NO]
S615-CSRIx-24

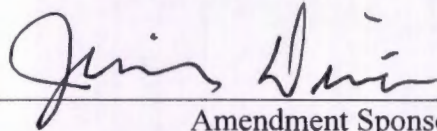
Date _____, 2017

Representative Dixon

1 moves to amend the bill on page 20, line 30,
2 by rewriting that line to read:

3
4 "SECTION 18.(b) This section is effective for taxes imposed for taxable years
5 beginning on or after July 1, 2017."
6
7
8

SIGNED



Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



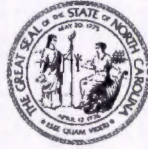
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NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 615

S615-ARI-73 [v.1]

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

Page 1 of 1

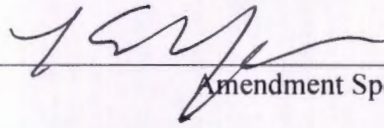
Amends Title [NO]
S615-CSRIx-24

Date _____ .2017

Representative Yarborough

- 1 moves to amend the bill on page 18, line 9, by deleting the word "closure" and substituting the
2 word "decommissioning".
3
4

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

☒

FAILED

☐

TABLED

☐



* S 6 1 5 - A R I - 7 3 - V - 1 *

**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

**AGRICULTURE COMMITTEE REPORT
Representative Mark Brody, Co-Chair
Representative Jimmy Dixon, Co-Chair
Representative Bob Steinburg, Co-Chair**

FAVORABLE HOUSE COM SUB, UNFAVORABLE SENATE COM SUB AND RE-REFERRED

SB 615 (CS#1)

North Carolina Farm Act of 2017.

Draft Number: S615-PCS45456-RIxr-24

Serial Referral: **FINANCE**

Recommended Referral: None

Long Title Amended: No

Floor Manager: Dixon

TOTAL REPORTED: 1



* C M R 5 5 5 - V - 1 *



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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D

SENATE BILL 410

Agriculture/Environment/Natural Resources Committee Substitute Adopted 4/21/17

Finance Committee Substitute Adopted 5/24/17

Fourth Edition Engrossed 6/8/17

PROPOSED HOUSE COMMITTEE SUBSTITUTE S410-PCS45457-SB-29

Short Title: Marine Aquaculture Development Act.

(Public)

Sponsors:

Referred to:

March 29, 2017

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A PROGRAM FOR THE LEASING OF PUBLIC BOTTOM AND SUPERJACENT WATER COLUMN FOR MARINE AQUACULTURE, TO REQUIRE THE DIVISION OF MARINE FISHERIES OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO REQUEST THE ISSUANCE OF FEDERAL RULES TO ALLOW MARINE AQUACULTURE IN FEDERAL WATERS OFF THE COAST OF THE STATE, AND TO ESTABLISH ADDITIONAL TRANSPARENCY REQUIREMENTS FOR MEMBERS OF THE MARINE FISHERIES COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 113 of the General Statutes is amended by adding a new Article to read:

"Article 16A.

"Marine Aquaculture.

"§ 113-215. Definitions.

In addition to the definitions in G.S. 113-128 and G.S. 113-129, the following definitions shall apply in this Article.

- (1) Marine aquaculture. – The propagation and rearing of marine aquatic species in controlled or selected environments, including, but not limited to, ocean ranching, marine hatcheries, and other deep water fish farming operations in the coastal fishing waters of the State and, to the extent not inconsistent with federal law, to the limits of the United States exclusive economic zone, as that term is defined in the Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. § 1801, et seq.
- (2) Marine aquaculture lease. – A lease of the public bottom and superjacent water column granted by the Secretary for marine aquaculture.
- (3) Marine aquatic species. – Any species of finfish, mollusk, crustacean, or other aquatic invertebrate, amphibian, reptile, or aquatic plant, and including, but not limited to, "fish" and "fishes," as defined in G.S. 113-129(7), found exclusively or for part of its life cycle in coastal fishing waters.

"§ 113-216. Legislative findings and declaration of policy.

The General Assembly finds that development of a marine aquaculture industry in the State provides increased seafood production and long-term economic and employment opportunities.



1 The General Assembly declares that it is the policy of the State to encourage the development
2 of private, commercial marine aquaculture in ways that are compatible with other public uses
3 of marine and estuarine resources such as navigation, fishing, and recreation.

4 **"§ 113-217. New leases for marine aquaculture.**

5 (a) To increase the use of suitable areas underlying coastal fishing waters for
6 establishment of marine aquaculture, the Secretary may grant marine aquaculture leases under
7 the terms of this section when the Secretary determines, in accordance with the Secretary's duty
8 to conserve the marine and estuarine resources of the State, that the public interest will benefit
9 from issuance of the lease. Suitable areas for marine aquaculture shall meet the following
10 minimum standards:

- 11 (1) The area leased must not contain a natural commercially significant shellfish
12 bed.
- 13 (2) The marine aquaculture operation in the leased area will not unreasonably
14 interfere with lawful utilization by the public of other marine and estuarine
15 resources. Other public uses which may be considered include, but are not
16 limited to, navigation, fishing, and recreation.
- 17 (3) The operation of a marine aquaculture operation in the leased area will not
18 unreasonably interfere upon the rights of riparian owners.
- 19 (4) The area leased must not include an area designated for inclusion in the
20 Department's Shellfish Management Program.
- 21 (5) The area leased must not include an area that the State Health Director has
22 recommended be closed to shellfish harvest by reason of pollution.
- 23 (6) The marine aquaculture operation would not unreasonably interfere with
24 public access and use of waters of the State, taking into account the potential
25 economic impact of the operation.
- 26 (7) Aquaculture use of the leased area must not significantly impair navigation.
- 27 (8) The leased area must not be within a navigation channel marked or
28 maintained by a State or federal agency.
- 29 (9) The leased area must not be within an area traditionally used and available
30 for significant levels of fishing or hunting activities incompatible with the
31 activities proposed by the leaseholder, such as trawling or seining.
- 32 (10) Aquaculture use of the leased area must not significantly interfere with the
33 exercise of riparian rights by adjacent property owners, including access to
34 navigation channels from piers or other means of access.

35 (b) The Secretary may delete any part of an area proposed for lease or may condition a
36 lease to protect the public interest with respect to the factors enumerated in subsection (a) of
37 this section. The Secretary shall enter into memoranda of agreement with the United States
38 Army Corps of Engineers or any other appropriate State or federal regulatory agencies to
39 provide for appropriate standards and markings for marine aquaculture structures to avoid
40 impairment of navigation.

41 (c) No person, including a corporate entity or single family unit, may acquire and hold
42 by lease, lease renewal, or purchase more than 1,500 acres under marine aquaculture leases. No
43 individual lease may exceed 100 acres. For purposes of this subsection, the number of acres of
44 leases held by a person includes acres held by a corporation in which the person holds an
45 interest.

46 (d) Any person desiring to apply for a lease must make written application to the
47 Secretary on forms prepared by the Department containing such information as deemed
48 necessary to determine the desirability of granting or not granting the lease requested. Except in
49 the case of renewal leases, the application must be accompanied by a map or diagram made at
50 the expense of the applicant, showing the area proposed to be leased.

1 (e) The map or diagram must conform to standards prescribed by the Secretary
2 concerning accuracy of map or diagram and the amount of detail that must be shown. If, on the
3 basis of the application information and map or diagram, the Secretary deems that granting the
4 lease would benefit the marine aquaculture industry of North Carolina, the Secretary must order
5 an investigation of the area proposed to be leased. The investigation is to be made by the
6 Secretary or the Secretary's authorized agent to determine whether the area proposed to be
7 leased is consistent with the standards in subsection (a) of this section. In the event the
8 Secretary finds the application inconsistent with the applicable standards, the Secretary shall
9 deny the application or propose that a conditional lease be issued that is consistent with the
10 applicable standards. In the event the Secretary authorizes amendment of the application, the
11 applicant must furnish a new map or diagram meeting requisite standards showing the area
12 proposed to be leased under the amended application. At the time of making an application for
13 an initial lease, the applicant must pay a filing fee of two hundred dollars (\$200.00).

14 (f) The area proposed to be leased must be as compact as possible, taking into
15 consideration the shape of the body of water, the consistency of the bottom, and the desirability
16 of separating the boundaries of a leasehold by a sufficient distance from any other marine
17 aquaculture operations or shellfish leases.

18 (g) Within 60 days after receipt of an application that complies with subsection (e) of
19 this section, the Secretary shall notify the applicant of the intended action on the lease
20 application. If the intended action is approval of the application as submitted, or approval with
21 a modification to which the applicant agrees, the Secretary shall conduct a public hearing in the
22 county where the proposed leasehold lies. The Secretary must publish at least two notices of the
23 intention to lease in a newspaper of general circulation in the county in which the proposed
24 leasehold lies. The first publication must precede the public hearing by more than 20 days; the
25 second publication must follow the first by seven to 11 days. The notice of intention to lease
26 must contain a description of the area of the proposed leasehold sufficient to establish its
27 boundaries with reasonable ease and certainty and must also contain the date, hour, and place
28 of the hearing.

29 (h) After consideration of the public comment received and any additional
30 investigations the Secretary orders to evaluate the comments, the Secretary shall notify the
31 applicant in person or by certified or registered mail of the decision on the lease application.
32 The Secretary shall also notify persons who submitted comments at the public hearing and
33 requested notice of the lease decision. An applicant who is dissatisfied with the Secretary's
34 decision or another person aggrieved by the decision may commence a contested case by filing
35 a petition under G.S. 150B-23 within 20 days after receiving notice of the Secretary's decision.
36 In the event the Secretary's decision is a modification to which the applicant agrees, the lease
37 applicant must furnish an amended map or diagram before the lease can be issued by the
38 Secretary.

39 (i) After a lease application is approved by the Secretary, the applicant shall submit to
40 the Secretary information sufficient to define the bounds of the area approved for leasing with
41 markers in accordance with the rules of the Commission. The information shall conform to
42 standards prescribed by the Secretary concerning accuracy of survey and the amount of detail
43 to be shown. When information is submitted, the boundaries are marked and all fees and rents
44 due in advance are paid, the Secretary shall execute the lease on forms approved by the
45 Attorney General. The Secretary is authorized, with the approval of the lessee, to amend an
46 existing lease by reducing the area under lease or by combining contiguous leases without
47 increasing the total area leased.

48 (j) Initial leases begin upon the issuance of the lease by the Secretary and expire at
49 noon on the first day of July following the twentieth anniversary of the granting of the lease.
50 Renewal leases are issued for a period of 20 years from the time of expiration of the previous
51 lease. At the time of making application for renewal of a lease, the applicant must pay a filing

1 fee of one hundred dollars (\$100.00). The rental for initial leases and renewed leases is two
2 hundred ten dollars (\$210.00) per acre, per year. Rental must be paid annually in advance prior
3 to the first day of April each year. Upon initial granting of a lease, the pro rata amount for the
4 portion of the year left until the first day of July must be paid in advance at the rate of two
5 hundred ten dollars (\$210.00) per acre, per year; then, on or before the first day of April next,
6 the lessee must pay the rental for the next full year.

7 (k) Except as otherwise restricted by this Article, leaseholds granted under this section
8 are to be treated as if they were real property and are subject to all laws relating to taxation,
9 sale, devise, inheritance, gift, seizure and sale under execution or other legal process, and the
10 like. Leases properly acknowledged and probated are eligible for recordation in the same
11 manner as instruments conveying an estate in real property. Within 30 days after transfer of
12 beneficial ownership of all or any portion of or interest in a leasehold to another, the new owner
13 must notify the Secretary of such fact. Such transfer is not valid until notice is furnished to the
14 Secretary.

15 (l) Upon receipt of notice by the Secretary of any of the following occurrences, the
16 Secretary must commence action to terminate the leasehold:

- 17 (1) Failure to pay the annual rent in advance.
- 18 (2) Failure to file information required by the Secretary upon annual remittance
19 of rental or filing false information on the form required to accompany the
20 annual remittance of rental.
- 21 (3) Failure by new owner to report a transfer of beneficial ownership of all, or
22 any portion of, or interest in the leasehold.
- 23 (4) Failure to mark the boundaries in the leasehold and to keep them marked as
24 required in the rules of the Marine Fisheries Commission.
- 25 (5) Failure to utilize the leasehold on a continuing basis for marine aquaculture
26 purposes, except if marine aquaculture activities under the lease are
27 suspended as a part of a disease or biosecurity plan.

28 (m) In the event the leaseholder takes steps within 30 days to remedy the situation upon
29 which the notice of intention to terminate was based, and the Secretary is satisfied that
30 continuation of the lease is in the best interests of the shellfish culture of the State, the
31 Secretary may discontinue termination procedures. Where there is no discontinuance of
32 termination procedures, the leaseholder may initiate a contested case by filing a petition under
33 G.S. 150B-23 within 30 days of receipt of notice of intention to terminate. Where the
34 leaseholder does not initiate a contested case, or the final decision upholds termination, the
35 Secretary must send a final letter of termination to the leaseholder. The final letter of
36 termination may not be mailed sooner than 30 days after receipt by the leaseholder of the
37 Secretary's notice of intention to terminate, or of the final agency decision, as appropriate. The
38 lease is terminated effective at midnight on the day the final notice of termination is served on
39 the leaseholder. The final notice of termination may not be issued pending hearing of a
40 contested case initiated by the leaseholder.

41 Service of any notice required in this subsection may be accomplished by certified mail,
42 return receipt requested; personal service by any law enforcement officer; or upon the failure of
43 these two methods, publication. Service by publication shall be accomplished by publishing
44 such notices in a newspaper of general circulation within the county where the lease is located
45 for at least once a week for three successive weeks and by posting the notices on the
46 Commission's Web site. The format for notice by publication shall be approved by the Attorney
47 General.

48 (n) Upon final termination of any leasehold, the leased area in question is thrown open
49 to the public for use in accordance with laws and rules governing use of public grounds
50 generally. Within 30 days of final termination of the leasehold, the former leaseholder shall
51 remove all abandoned markers denominating the area of the leasehold. The State may, after 10

days' notice to the owner of the abandoned markers thereof, remove the abandoned structure and have the area cleaned up. The cost of such removal and cleanup shall be payable by the owner of the abandoned markers and the State may bring suit to recover the costs thereof.

(o) Every year between January 1 and February 15, the Secretary must mail to all leaseholders a notice of the annual rental due and include forms designed by the Secretary for determining the amount of harvest gathered. Such forms may contain other pertinent questions relating to the utilization of the leasehold in the best interests of the aquaculture industry of the State and must be executed and returned by the leaseholder with the payment of the leaseholder's rental. Any leaseholder or the leaseholder's agent executing such forms for the leaseholder who knowingly makes a false statement on such forms is guilty of a Class 1 misdemeanor.

"§ 113-218. Protection of private marine aquaculture rights.

It is unlawful for any person, other than the holder of a lease issued under this Article, to take or attempt to take marine species being produced under the license and associated lease from any privately leased, franchised, or deeded marine aquaculture operation without written authorization of the holder and with actual knowledge it is a marine aquaculture leased area. Actual knowledge will be presumed when the marine species are taken or attempted to be taken under the following circumstances:

- (1) From within the confines of posted boundaries of the area as identified by signs, whether the whole or any part of the area is posted; or
- (2) When the area has been regularly posted and identified and the person knew the area to be the subject of private marine aquaculture rights.

A violation of this subsection shall constitute a Class A1 misdemeanor, which may include a fine of not more than five thousand dollars (\$5,000). The written authorization shall include the lease number or deed reference, name and address of authorized person, date of issuance, and date of expiration, and it must be signed by the holder of the marine aquaculture rights. Identification signs shall include the lease number or deed reference and the name of the holder."

SECTION 2. The Division of Marine Fisheries of the Department of Environmental Quality shall do the following:

- (1) Request that the Mid-Atlantic and South Atlantic Fishery Management Councils develop a Fishery Management Plan for regulating offshore aquaculture in federal waters offshore from the North Carolina coast.
- (2) Petition the National Oceanic and Atmospheric Administration to initiate rule-making proceedings to implement a comprehensive regulatory program for managing the development of an environmentally sound and economically sustainable aquaculture fishery in federal waters offshore from the North Carolina coast.

The Division shall provide an interim report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources no later than February 1, 2018, regarding their progress in implementing this section and a final report on or before May 1, 2018, that includes the request and petition required by this section.

SECTION 3. G.S. 143B-289.54 is amended by adding a new subsection to read:

"(m) **Transparency.** – The Commission shall establish official e-mail accounts for all Commission members. These e-mail accounts shall be used for all electronic communications related to the work of the Commission and those communications shall be considered public records under Chapter 132 of the General Statutes. Other than routine communication sent from Division staff to all Commission members, electronic communications among a majority of the Commission shall be an "official meeting" as defined in Article 33C of Chapter 143 of the General Statutes. Failure to comply with this subsection shall be subject to investigation by the State Ethics Commission as unethical conduct and removal under subsection (h) of this section

as misfeasance. Nothing in this subsection is intended to limit or eliminate any privilege existing at common law or under statute."

SECTION 3.1.(a) Definitions. – "Importation of Marine and Estuarine Organisms Rule" means 15A NCAC 031 .0104 (Introduce, Transfer or Hold Imported Marine and Estuarine Organisms) for purposes of this section and its implementation.

SECTION 3.1.(b) Importation of Marine and Estuarine Organisms Rule. – Until the effective date of the revised permanent rule that the Marine Fisheries Commission is required to adopt pursuant to subsection (d) of this section, the Commission and the Division of Marine Fisheries of the Department of Environmental Quality shall implement the Importation of Marine and Estuarine Organisms Rule, as provided in subsection (c) of this section.

SECTION 3.1.(c) Implementation. – Use of American eels imported from Virginia or South Carolina in an aquaculture operation is exempt from the permitting requirements of the Importation of Marine and Estuarine Organisms Rule.

SECTION 3.1.(d) Additional Rule-Making Authority. – The Commission shall adopt a rule to amend the Importation of Marine and Estuarine Organisms Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the rule adopted by the Commission, pursuant to this section, shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1) as though 10 or more written objections had been received as provided by G.S. 150B-21.3(b2).

SECTION 3.1.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

STATE PARTICIPATION IN SITING OF ATLANTIC INTRACOASTAL WATERWAY DREDGED MATERIAL DISPOSAL EASEMENTS

SECTION 3.2.(a) The Division of Coastal Management of the Department of Environmental Quality and the State Property Office are authorized to negotiate with appropriate agencies of the federal government an agreement for the State to assume responsibility for acquiring dredged material easement sites appropriate for maintenance dredging of the Atlantic Intracoastal Waterway between Beaufort Inlet and the border with the Commonwealth of Virginia in exchange for the reduction in size and possible change in location of dredged material disposal easement sites currently held by the federal government. The agreement shall provide for the federal government to relinquish certain dredged material disposal easements that are excess to maintenance project needs in exchange for the acquisition and furnishing to the federal government other easements that are sited and permitted by the Division of Coastal Management and acquired by the State Property Office under its powers of condemnation or otherwise using such funds as may be appropriated by the General Assembly from the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund established under Part 8B of Article 21 of Chapter 143 of the General Statutes for that purpose.

SECTION 3.2.(b) G.S. 143-215.73F(b) is amended by adding a new subdivision to read:

"(4) To provide funding for siting and acquisition of dredged disposal easement sites associated with the maintenance of the Atlantic Intracoastal Waterway north of Beaufort Inlet and south of the border with the Commonwealth of Virginia, under a Memorandum of Agreement between the State and the federal government."

SECTION 4. Section 1 of this act becomes effective October 1, 2017. The remainder of this act is effective when it becomes law.



**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 410***

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

S410-ASB-54 [v.1]

Page 1 of 2

Amends Title [NO]
Fourth Edition

Date _____, 2017

Representative Boswell

1 moves to amend the bill on page 6, lines 23 and 24,
2 by inserting between the lines:
3

4 **"STATE PARTICIPATION IN SITING OF ATLANTIC INTRACOASTAL**
5 **WATERWAY DREDGED MATERIAL DISPOSAL EASEMENTS**

6 **SECTION 3.2.(a)** The Division of Coastal Management of the Department of
7 Environmental Quality and the State Property Office are authorized to negotiate with
8 appropriate agencies of the federal government an agreement for the State to assume
9 responsibility for acquiring dredged material easement sites appropriate for maintenance
10 dredging of the Atlantic Intracoastal Waterway between Beaufort Inlet and the border with the
11 Commonwealth of Virginia in exchange for the reduction in size and possible change in
12 location of dredged material disposal easement sites currently held by the federal government.
13 The agreement shall provide for the federal government to relinquish certain dredged material
14 disposal easements that are excess to maintenance project needs in exchange for the acquisition
15 and furnishing to the federal government other easements that are sited and permitted by the
16 Division of Coastal Management and acquired by the State Property Office under its powers of
17 condemnation or otherwise using such funds as may be appropriated by the General Assembly
18 from the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund established
19 under Part 8B of Article 21 of Chapter 143 of the General Statutes for that purpose.

20 **SECTION 3.2.(b)** G.S. 143-215.73F(b) is amended by adding a new subdivision to
21 read:

22 "(4) To provide funding for siting and acquisition of dredged disposal easement
23 sites associated with the maintenance of the Atlantic Intracoastal Waterway
24 north of Beaufort Inlet and south of the border with the Commonwealth of
25 Virginia, under a Memorandum of Agreement between the State and the
26 federal government."



* S 4 1 0 - A S B - 5 4 - V - 1 *

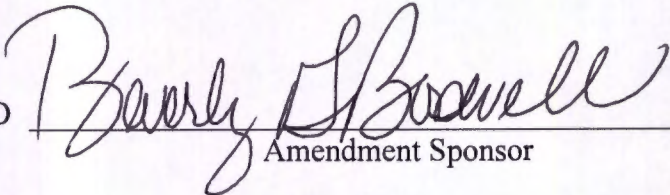


**NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 410***

S410-ASB-54 [v.1]

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

Page 2 of 2

SIGNED 
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ✓ FAILED _____ TABLED _____

James H. Smith

Committee Sergeants at Arms

NAME OF COMMITTEE House Comm. on Agriculture

DATE: 06/20/17

Room: 643

House Sgt-At Arms:

1. Name: Young Bae

2. Name: Jim Moran

3. Name: Terry McCraw

4. Name: Thomas Terry

5. Name: _____

Senate Sgt-At Arms:

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____



VISITOR REGISTRATION SHEET

House Comm. on Agriculture

Name of Committee

06/20/17

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Andy Ellen	NCRM
Thomas Culligan	Public Sup. Mchls, Inc
Doug Lassiter	NCSTA
Hampton Billips	KTS
Amanda Donovan	KTS
Caroline Dutka	Ward & Smith
Cassie Gavin	Sema Club
Wesley Petrucci	NC Grange
Laurie Barendt	"
J. Barendt	MWC
Bo V. [unclear]	McGraw Hill [unclear]



VISITOR REGISTRATION SHEET

House Comm. on Agriculture

06/20/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<i>Henry Jones</i>	<i>Jordan Paine</i>
Deborah Johnson	Prestige Farms
<i>Jon Caw</i>	<i>Jordan Price</i>
<i>Hayden Bauguess</i>	<i>Electricities NC</i>
<i>Chris Broughton</i>	<i>CapAd</i>
<i>Shane</i>	<i>MWC</i>
<i>Penny Smith</i>	<i>Duke Energy</i>
<i>Paul Nixon</i>	<i>SoG</i>
<i>Morgan Dunn</i>	<i>Smith Hidenon</i>
<i>Laure Onono</i>	<i>Walk West</i>



VISITOR REGISTRATION SHEET

House Comm. on Agriculture

Name of Committee

06/20/17

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Caroline Perry	Waik West
Jaz Turner	Duke
Katie Gammann	Gov
Ghan Holland	NCDATCS
Chris Saunders	NCDATCS
Sarah Collins	NCLM
Judith Howard	PRO
Harry Phillips	Preserve Rural Orange (PRO)
Chris Durham	PRO
Laura Streitfeld	PRO
Robin Royster	PRO



VISITOR REGISTRATION SHEET

House Comm. on Agriculture

06/20/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Brandon Hartman

NC PC

Tommy Stivers

NC PC

Angie Maier

NC PC

K. Blum

RZA



VISITOR REGISTRATION SHEET

House Comm. on Agriculture

Name of Committee

06/20/17

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Ronald Royster	Pro 7700 Morrow Hill Rd Chapel Hill, NC
Paula Windley	NCDMU
Reggie Skinner	NCDMV
Joy Hester	NC DOT
JAKE PARKER	NC FBS
JOHN GOODMAN	CCE
Jake Cashion	NCC
Lexi Arthur	NCRMA
Daniel Radford	NCFB
Rebekah Middleton	DOA
Kortney Smith	NCFB



VISITOR REGISTRATION SHEET

House Comm. on Agriculture

06/20/17

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Jerry Schill	NC Fisheries Assoc.
Luke Midgoff	" " "
Adam Skinner	N.C. Fisheries Association
Paul Shuman	NC FB
Bill Moore	NCSHP
Trouis Ingold	NCSHA
John Cooper	CONNECT C



VISITOR REGISTRATION SHEET

House Comm. on Agriculture

Name of Committee

06/20/17

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Aidy Miller	DGQ
Alex Miller	AMGA
Jocelyn Buckley	AMGA
Ben Hooker	NCPHA
Lynette Tokun	NCAHND
Brad Salmer	NC DPS
Mark Johnson	NCAHND
Graham Jackson	NCLCV
Vincent Gauthier	NCLCV
Don Crawford	NCLCV
Aidy Brandon	NC DPS



VISITOR REGISTRATION SHEET

House Comm. on Agriculture

Name of Committee

06/20/17

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

David McLean

NCRP

Carlin Given

CFSA

Donella Sparks

CFSA

Scott Costa

KBANC

Dick Galt

Law of RMC

Jackson Stowell

JSC

Peter Daniel

Connect C

Gordon N/A

CTNC

Edgar Miller

CTNC

Butch Gurnells

NCRP



SPEAKER REGISTRATION SHEET

Ag.

06/20/2017
Date

Name of Committee

Date /

SPEAKERS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

[illegible]





House Committee on Agriculture

2018 Session

Chairs: Rep. Jimmy Dixon

Rep. Mark Brody

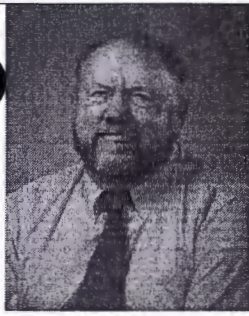
Rep. Bob Steinburg

LA: Michael Wiggins

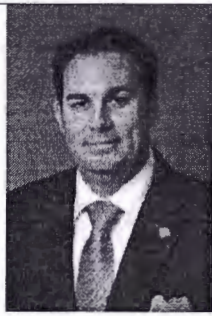
Diana London



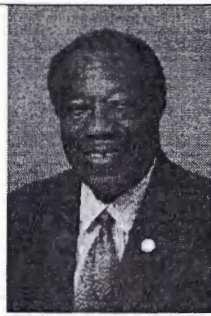




Rep John Ager



Rep. John R. Bell,
IV



Rep. Larry M.
Bell



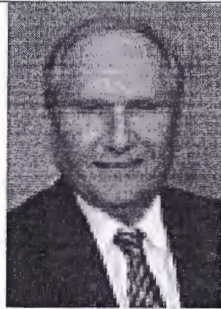
Rep. Beverley
Boswell



Rep. William Brisson



Rep. Cecil
Brockman



Rep. Mark
Brody



Rep. George
Cleveland



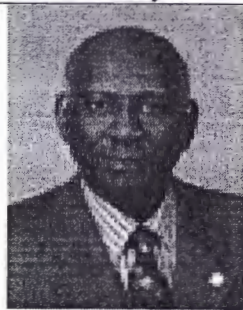
Rep. Jimmy
Dixon



Rep. Andy
Dulin



Rep. Charles
Graham



Rep. George
Graham



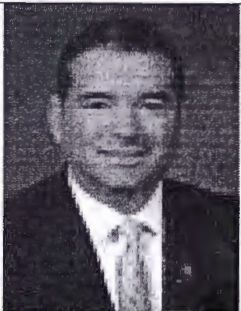
Rep. Howard
Hunter III



Rep. Bert
Jones



Rep. Brenden
Jones



Rep. David
Lewis



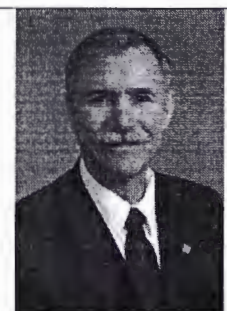
Rep. Susan
Martin



Rep. Michelle
Presnell



Rep. Robert T.
Reives, II



Rep. Dennis Riddell





Rep. Bob
Steinburg



Rep. Larry
Strickland



Rep. Rena
Turner



Rep. Larry
Yarbrough



Rep. Lee
Zachary



HOUSE COMMITTEE ON AGRICULTURE 2017

<u>MEMBER</u>	<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>	<u>SEAT</u>
<u>Chairs</u>				
Jimmy Dixon	Michael Wiggins	715-3021	2226	18
Mark Brody	Neva Helms	715-3029	2219	62
Bob Steinburg	Diana London	733-0010	301B	43
<u>Vice Chairs</u>				
William Brisson	Caroline Stirling	733-5772	405	23
Rena W. Turner	Barbara Gaiser	733-5661	606	52
John Ager	Meredith Graf	733-5746	1315	103
John R. Bell IV	Susan Horne	715-3017	301F	5
Larry Bell	Carolyn Edwards	733-5863	510	21
Beverly Boswell	Beth Strandberg	733-5906	531	97
Cecil Brockman	Grady O'Brien	733-5825	1311	106
George Cleveland	Pam Ahlin	715-6707	417A	8
Andy Dulin	Wanda Benson	715-3009	605	100
Charles Graham	Linda Laton	715-0875	1309	84
George Graham	Beverlee Baker	733-5995	1321	79
Howard J. Hunter III	Brenda Bennett	733-5780	1307	46
Bert Jones	Theresa Lopez	733-5779	416A	54
Brenden Jones	Andrew Bailey	733-5821	2217	88
David R. Lewis	Grace Rogers	715-3015	2301	6
Susan Martin	Susie Farrell	715-3023	526	29
Michele D. Presnell	John Wall	733-5732	418A	51
Robert T. Reives II	Veronica Green	733-0057	1323	92
Dennis Riddell	Polly Riddell	733-5905	533	99
Larry Strickland	KJ Stancil	733-5849	602	112
Larry Yarborough	Leslie Murray	715-0850	1301	67
Lee Zachary	Martha Jenkins	715-8361	1002	74



ATTENDANCE

HOUSE COMMITTEE ON AGRICULTURE	
DATES	
6-12-18	8-21-18
REP. DIXON-CHAIR	✓
REP. STEINBURG-CHAIR	✓
REP. BRODY-CHAIR	✓
REP. R. TURNER-VICE CHAIR	✓
REP. BRISSON-VICE CHAIR	✓
REP. AGER	✓
REP. J. BELL	✓
REP. L. BELL	✓
REP. BOSWELL	✓
REP. BROCKMAN	✓
REP. DULIN	
REP. C. GRAHAM	
REP. G. GRAHAM	✓
REP. HUNTER	
REP. BERT JONES	✓
REP. BRENDEN JONES	✓
REP. D. LEWIS	✓
REP. S. MARTIN	✓
REP. PRESNELL	✓
REP. REIVES	✓
REP. RIDDELL	✓
REP. STRICKLAND	✓
REP. YARBOROUGH	✓
REP. ZACHARY	✓
REP. CLEVELAND	



**House Committee on Agriculture
Tuesday, June 12th, 2pm
643 LOB
AGENDA**

1. Welcome and Opening Remarks: Rep. Dixon

2. Introduction of Pages & Sgt at Arms

Bills:

BILL NO.	SHORT TITLE
SB 711	NC Farm Act of 2018

SPONSOR
Sen. Brent Jackson
Sen. Cook
Sen. Sanderson

3. Senators Explanation of Bill

4. Member Comments & Questions

5. Vote on SB 711

Adjournment:



Committee Sergeants at Arms

NAME OF COMMITTEE House Committee on Agriculture

DATE: 06/12/2018 Room: 643

House Sgt-At Arms:

1. Name: Terry McCraw
2. Name: Thomas Terry
3. Name: Rey Cooke
4. Name: John Gilbert
5. Name: _____

Senate Sgt-At Arms:

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



**House Pages
Assignments
Monday, June 11, 2018
Session: 9:30 AM**

Committee	Room	Time	Staff	Comments	Member
Agriculture	643	12:00 PM	Andrew Cahn		Rep. Brenden H. Jones
		2:00	Savannah-Grace Jones		Rep. Brenden H. Jones
			Carter Neptune		Rep. Donna McDowell White
			Kyleigh Swaim		Rep. Allen McNeill



Bill Number

5711

Sen.

Rep

B. JACKSON

explained the bill.

Discussion on the Bill

YES or NO

Rep

Belt Jones

motioned for:

☒

Favorable Report

☐

Adoption

☐

Unfavorable Report

☐

Unfavorable to original bill, favorable to PCS

☐

No vote

☐

Other:

w/Referral to Finance

Bill Number

Rep

explained the bill.

Discussion on the Bill

YES or NO

Rep

motioned for:

☐

Favorable Report

☐

Adoption

☐

Unfavorable Report

☐

Unfavorable to original bill, favorable to PCS

☐

No vote

☐

Other:

Bill Number

Rep

explained the bill.

Discussion on the Bill

YES or NO

Rep

motioned for:

☐

Favorable Report

☐

Adoption

☐

Unfavorable Report

☐

Unfavorable to original bill, favorable to PCS

☐

No vote

☐

Other:



**NORTH CAROLINA GENERAL ASSEMBLY
HOUSE OF REPRESENTATIVES**

AGRICULTURE COMMITTEE REPORT

Representative Mark Brody, Co-Chair

Representative Jimmy Dixon, Co-Chair

Representative Bob Steinburg, Co-Chair

FAVORABLE AND RE-REFERRED

SB 711 (CS#2)

NC Farm Act of 2018.

Draft Number: None

Serial Referral: **FINANCE**

Recommended Referral: None

Long Title Amended: No

Floor Manager: Dixon

TOTAL REPORTED: 1



* C M R 7 5 6 - V - 1 *



**House Committee on Agriculture
Tuesday, June 12, 2018 at 2:00 PM
Room 643 of the Legislative Office Building**

MINUTES

The House Committee on Agriculture met at 2:00 PM on June 12, 2018 in Room 643 of the Legislative Office Building. Representatives Ager, J. Bell, L. Bell, Boswell, Brisson, Brockman, Brody, Dixon, G. Graham, Bert Jones, Brenden Jones, Lewis, S. Martin, Presnell, Reives, Riddell, Steinburg, Strickland, R. Turner, Yarborough, and Zachary attended.

Representative Jimmy Dixon, Chair, presided.

The following bills were considered: SB 711 NC Farm Act of 2018

Rep. Dixon calls the meeting to order at 2:10pm. He introduces our Paiges and the Sgt. At Arms
See Attachment for list of Names

Rep. Dixon outlines the order in which he will conduct the meeting and the sequence of order we will proceed with guest speakers and the time they will be allotted which will be 3 minutes each. Rep. Dixon ask the Co-Chairs if they have any opening comments or statements. Hearing none he then ask the members if they had any opening comments as well. No one had anything so Rep. Dixon then turned the time over to Sen. Brent Jackson to present SB 711 NC Farm Act to the committee.

Sen. Jackson began by thanking the committee for the time and then he proceeded to explain the bill going section by section. Once Sen. Jackson had completed his explanation of the bill Rep. Dixon ask the committee members if they had any questions for Sen. Jackson. Rep. Riddell ask about the effective date of one portion of the bill and how it might affect the World Equestrian Games? He was told that it wouldn't be a deterrent to the Games.

Rep. Dixon then ask Commissioner of Agriculture Troxler to give the committee a brief explanation of the Milk Labeling section of the bill and why the Dept. was in favor of that section. Commissioner Troxler explained that there are too many products out there they label themselves as milk but aren't and that it has been hurting our dairy farmers and so they want to correct the problem by requiring that products be labeled correctly. It is already a law but not being enforced as it should be on the Federal Level. After some more discussion in general about the Farm Act we move on.

Rep Dixon announces that we will began the public comment portion of the meeting and that what he will attempt to do is call on one person who supports the bill and then follow them up with a speaker who opposes the bill. He will follow this pattern until he runs out of opposition speakers as there appears to be more positive speakers than negative of the bill. He reminds speakers that they will have 3 minutes maximum for their remarks and that a Sgt at Arms staffer will notify them when they have 15 seconds remaining. See audio recording for list of speakers (public).

Rep. Dixon calls the first 3 public speakers and continues to do so until we are finished with all public comments. Rep. Dixon ask that the comments of Mrs. Elsie Herring been included in the official minutes. Ms. Herring introduced herself as a Landowner from Duplin County and neighbor of a Hog Farm operation and that she is a community outreach volunteer for REACH.



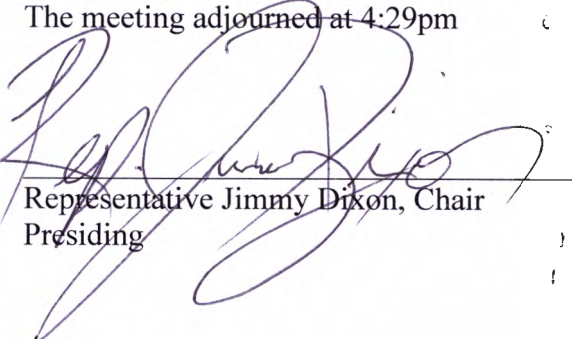
Ms. Elsie Herring "Good Afternoon my name is Elsie Herring I live in Wallace NC in Duplin County. I live on land that has been in my family since the late 1800's. There's a hog operation 1/3 of a mile from my home and a spray field 8 feet. I am not advocating putting hog farmers out of business but I do feel there is a better way to raise these hogs. I don't think they need to continue to use these spray fields and lagoons because this spray field being 8 feet from my house it gets airborne and it comes over and onto my house and my porch and I can't sit out and none of my family members. This is wrong. A bill has been introduced last year and another one this year to prevent us from even having a recourse from having to put up with these kinds of situations living with animals and their waste; so when fault is being placed on coming up with a solution why aren't the communities being impacted sitting at the table? Why aren't we given consideration about what our lives are like? We're the ones held prisoners we're the ones who have to breathe in this stuff; we're the ones who have our wells polluted? Our clothes no longer being able to hang them on the line and so many other things like rats ,snakes, mice ,flies ,mosquitoes all of these things that are out growths from these animal operations. Our water is being contaminated; our air is contaminated but yet and still no consideration is being given to the community people. We have been living with these animals for decades and it is like at this point and time someone would be reasonable enough to say let's try to find something that helps the community people as well as the farmer." End of her remarks.

At the conclusion of the public comments Rep. Dixon shows a photo to the committee of Ms. Herring's property and the hog operation she described and tells the committee that the spray field in question that she referenced hasn't been used by that hog farmer in 2 years.

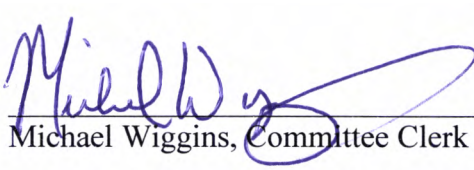
Rep. Dixon then ask the committee members to pose any questions to Sen. Jackson about the Farm Bill. There were some general comments made by the committee members in reference to section 10 of the bill and at the conclusion of those. Rep. Dixon thanked Sen Jackson for his attendance and the good work he had done on the bill. Rep. Dixon posed one final time to see if members had any last questions or comments. Seeing none. He then called on Rep. Bert Jones who made the motion for a favorable report out of House Agriculture Committee on SB 711 with a referral to Finance. Rep. Dixon ask for the Yes and No's from the committee members on SB 711. The bill passed and Rep. Dixon stated that SB 711 had passed the committee and was to be sent to House Finance. See Attached to the Minutes: Copy of the bill; Fiscal Note; Copy of the Committee Report; Visitor Sheet and Agenda.

Rep. Dixon ask for any final comments from the committee and hearing none he adjourned the meeting.

The meeting adjourned at 4:29pm



Representative Jimmy Dixon, Chair
Presiding



Michael Wiggins, Committee Clerk



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 711
Agriculture/Environment/Natural Resources Committee Substitute Adopted 6/5/18
Finance Committee Substitute Adopted 6/5/18
Fourth Edition Engrossed 6/11/18

Short Title: NC Farm Act of 2018.

(Public)

Sponsors:

Referred to:

May 17, 2018

A BILL TO BE ENTITLED
AN ACT TO MAKE VARIOUS CHANGES TO THE AGRICULTURAL LAWS.

Whereas, frivolous nuisance lawsuits threaten the very existence of farming in North Carolina; and

Whereas, in response to the long-standing threat to agriculture, in 1979 the General Assembly enacted the State's first effort to statutorily protect the ability of farms and forestry operations to continue to operate as surrounding development encroached; and

Whereas, following the 1979 enactment, at least three succeeding General Assemblies in 1992, 2013, and 2017 tried to perfect a statutory framework that broadly fosters a cooperative relationship between farms and forestry operations and their neighbors across North Carolina; and

Whereas, recently a federal trial court incorrectly and narrowly interpreted the North Carolina Right to Farm Act in a way that contradicts the intent of the General Assembly and effectively renders the Act toothless in offering meaningful protection to long-established North Carolina farms and forestry operations; and

Whereas, regrettably, the General Assembly is again forced to make plain its intent that existing farms and forestry operations in North Carolina that are operating in good faith be shielded from nuisance lawsuits filed long after the operations become established; Now, therefore,

The General Assembly of North Carolina enacts:

FRUIT AND VEGETABLE HANDLERS REGISTRATION ACT

SECTION 1.(a) Article 44 of Chapter 106 of the General Statutes is repealed.

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

"Article 44A.

"Fruit and Vegetable Handlers Registration Act.

"§ 106-501.1. Definitions.

The following definitions shall apply when used under this Article:

(1) "Commissioner" means the Commissioner of Agriculture of the State of North Carolina.

(2) "Consignment" means any transfer of fruits and vegetables by a seller to the custody of another person who acts as the agent for the seller for the purpose of selling such fruits and vegetables.



- (3) "Department" means the Department of Agriculture and Consumer Services.
- (4) "Farmer" means any person who produces fruits or vegetables or both.
- (5) "Handler" means any person in the business of buying, receiving, selling, exchanging, negotiating, processing for resale, or soliciting the sale, resale, exchange, or transfer of any fruits and vegetables purchased from a North Carolina farmer, received on consignment from a North Carolina farmer, or received to be handled on net return basis from a North Carolina farmer.
- (6) "Net return basis" means a purchase for sale of fruits and vegetables from a farmer or shipper at an unfixed or unstated price at the time the fruits and vegetables are shipped from the point of origin, and it shall include all purchases made "at the market price," "at net worth," and on similar terms, which indicate that the buyer is the final arbiter of the price to be paid.
- (7) "Processing" means any act or operation that freezes, dehydrates, cans, or otherwise changes the physical form or characteristic of fruits and vegetables.

"§ 106-501.2. Registration required.

(a) Prior to conducting business in North Carolina, a handler shall register with the Department, free of cost, by providing to the Department the following information:

- (1) The handler's name.
- (2) The handler's principal place of business.
- (3) The type of fruits and vegetables handled by the handler.
- (4) The annual volume, in dollar amount, of fruits and vegetables handled by the handler in North Carolina.

(b) A handler shall update the Department within 60 calendar days of any change in information required under subdivision (a)(1), (a)(2), or (a)(3) of this section.

(c) A handler shall update the Department of the annual volume required under subdivision (a)(4) of this section by February 1st of each year.

(d) Information collected under this Article shall be held confidential by the Department and not subject to public records disclosure.

"§ 106-501.3. Exemptions to registration.

This Article shall not apply to:

- (1) A farmer or group of farmers in the sale of fruits and vegetables produced by the farmer or group of farmers.
- (2) A handler who pays at the time of purchase with United States cash currency or a cash equivalent, such as a money order, cashier's check, wire transfer, electronic funds transfer, or PIN-based debit transaction, or a credit card.
- (3) A restaurant.
- (4) A retailer that sells fruits and vegetables to end-use consumers through retail establishments or food stands operated by the company, its affiliates, or subsidiaries.

"§ 106-501.4. Authority of the Board of Agriculture.

The Board of Agriculture may adopt rules to implement this Article.

"§ 106-501.5. Civil penalties.

(a) The Commissioner may assess a civil penalty of not more than one hundred dollars (\$100.00) per violation against any person or business entity who violates a provision of this Article or any rule adopted thereunder. In determining the amount of the penalty, the Commissioner shall consider the degree and extent of harm caused by the violation. The clear proceeds of civil penalties assessed pursuant to this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

(b) Civil penalties for failure to register or provide updated information under this Article shall only be issued after a 15-calendar-day notice has been provided to the handler and the handler fails to remedy the deficiency within the 15 days.

"§ 106-501.6. Injunctions.

In addition to the remedies provided in this Article and notwithstanding the existence of any adequate remedy at law, the Commissioner is authorized to apply to any court of competent jurisdiction, and such court shall have jurisdiction upon hearing and for cause shown to grant, for a temporary or permanent injunction, or both, restraining any person from violating or continuing to violate any of the provisions of this Article or any rule promulgated thereunder. Such injunction shall be issued without bond."

SECTION 1.(c) This section becomes effective January 1, 2019, and applies to handlers conducting business in the State on or after that date.

**DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
CONFIDENTIALITY CHANGE**

SECTION 2. G.S. 106-24.1 reads as rewritten:

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

All information published by the Department of Agriculture and Consumer Services pursuant to this Part shall be classified so as to prevent the identification of information received from individual farm operators. All information generated by any federal agency received pursuant to this ~~Part~~ Chapter that is confidential under federal law shall be held confidential by the Department and its ~~employees~~ employees, unless confidentiality is waived by the federal agency. All information collected by the Department from farm owners or animal owners, including, but not limited to, certificates of veterinary inspection, animal medical records, laboratory reports received or generated from samples submitted for analysis, or other records that may be used to identify a person or private business entity subject to regulation by the Department shall not be disclosed without the permission of the owner unless the State Veterinarian determines that disclosure is necessary to prevent the spread of an animal disease or to protect the public health, or the disclosure is necessary in the implementation of these animal health programs."

EXEMPT GOT TO BE NC AGRICULTURE MERCHANDISE FROM UMSTEAD ACT

SECTION 3. G.S. 66-58 reads as rewritten:

"§ 66-58. Sale of merchandise or services by governmental units.

(a) Except as may be provided in this section, it shall be unlawful for any unit, department or agency of the State government, or any division or subdivision of the unit, department or agency, or any individual employee or employees of the unit, department or agency in his, or her, or their capacity as employee or employees thereof, to engage directly or indirectly in the sale of goods, wares or merchandise in competition with citizens of the State, or to engage in the operation of restaurants, cafeterias or other eating places in any building owned by or leased in the name of the State, or to maintain service establishments for the rendering of services to the public ordinarily and customarily rendered by private enterprises, or to provide transportation services, or to contract with any person, firm or corporation for the operation or rendering of the businesses or services on behalf of the unit, department or agency, or to purchase for or sell to any person, firm or corporation any article of merchandise in competition with private enterprise. The leasing or subleasing of space in any building owned, leased or operated by any unit, department or agency or division or subdivision thereof of the State for the purpose of operating or rendering of any of the businesses or services herein referred to is hereby prohibited.

(b) The provisions of subsection (a) of this section shall not apply to:

...

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

(13c) The Western North Carolina Agricultural Center.

(13d) Agricultural centers or livestock facilities operated by the Department of Agriculture and Consumer Services.

(13e) The Department of Agriculture and Consumer Services with regard to its Got to Be NC Agriculture promotion.

...."

ALLOW DISTRIBUTION OF VERIFIED PROPAGULES BY INDUSTRIAL HEMP COMMISSION

SECTION 4. G.S. 106-568.51 reads as rewritten:

"§ 106-568.51. Definitions.

The following definitions apply in this Article:

- (1) ~~Certified seed. — Industrial hemp seed that has been certified as having a delta-9 tetrahydrocannabinol concentration less than that adopted by federal law in the Controlled Substances Act, 21 U.S.C. § 801 et seq.~~
- (2) Commercial use. — The use of industrial hemp as a raw ingredient in the production of hemp products.
- (3) Commission. — The North Carolina Industrial Hemp Commission created by this Article.
- (4) Department. — The North Carolina Department of Agriculture.
- (5) Grower. — Any person licensed to grow industrial hemp by the Commission pursuant to this Article.
- (6) Hemp products. — All products made from industrial hemp, including, but not limited to, cloth, cordage, fiber, food, fuel, paint, paper, particleboard, plastics, seed, seed meal and seed oil for consumption, and ~~certified seed~~ verified propagules for cultivation if the seeds originate from industrial hemp varieties.
- (7) Industrial hemp. — All parts and varieties of the plant *Cannabis sativa* (L.), cultivated or possessed by a grower licensed by the Commission, whether growing or not, that contain a delta-9 tetrahydrocannabinol concentration of not more than three-tenths of one percent (0.3%) on a dry weight basis.
- (7a) Industrial hemp research program. — The research program established pursuant to G.S. 106-568.53(1).
- (7b) State land grant university. — North Carolina State University and North Carolina A&T State University.
- (8) Tetrahydrocannabinol or THC. — The natural or synthetic equivalents of the substances contained in the plant, or in the resinous extractives of, cannabis, or any synthetic substances, compounds, salts, or derivatives of the plant or chemicals and their isomers with similar chemical structure and pharmacological activity.
- (9) Verified propagule. — A seed or clone from an industrial hemp plant from which THC concentration samples have been tested by a qualified laboratory and confirmed as having a delta-9 tetrahydrocannabinol concentration less than that adopted by federal law in the Controlled Substances Act, 21 U.S.C. § 801, et seq."

TECHNICAL CORRECTIONS TO FORESTRY STATUTES

SECTION 5.(a) G.S. 106-980(b) reads as rewritten:

"(b) Three or more persons, who associate themselves by an agreement in writing for the purpose, may become a private limited dividend corporation to finance and carry out projects for the protection and development of forests and for such other related purposes as the ~~Secretary~~ Commissioner shall approve, subject to all the duties, restrictions and liabilities, and possessing all the rights, powers, and privileges, of corporations organized under the general corporation

laws of the State of North Carolina, except where such provisions are in conflict with this Article."

SECTION 5.(b) G.S. 106-981 reads as rewritten:

"§ 106-981. Manner of organizing.

A corporation formed under this Article shall be organized and incorporated in the manner provided for organization of corporations under the general corporation laws of the State of North Carolina, except where such provisions are in conflict with this Article. The certificate of organization of any such corporation shall contain a statement that it is organized under the provisions of this Article and that it consents to be and shall be at all times subject to the rules and supervision of the ~~Secretary-Commissioner~~, and shall set forth as or among its purposes the protection and development of forests and the purchase, acquisition, sale, conveyance and other dealing in the same and the products therefrom, subject to the rules from time to time imposed by the ~~Secretary-Commissioner~~."

SECTION 5.(c) G.S. 106-982 reads as rewritten:

"§ 106-982. Directors.

There shall not be less than three directors, one of whom shall always be a person designated by the ~~Secretary-Commissioner~~, which one need not be a stockholder."

SECTION 5.(d) G.S. 106-1003 reads as rewritten:

"§ 106-1003. Deposit of receipts with State treasury.

All moneys paid to the ~~Secretary-Commissioner~~ for services rendered under the provisions of this Article shall be deposited into the State treasury to the credit of the Department."

SECTION 5.(e) G.S. 106-1012(2) reads as rewritten:

"(2) "Approved practices" mean those silvicultural practices approved by the ~~Secretary-Commissioner~~ for the purpose of commercially growing timber through the establishment of forest stands, of insuring the proper regeneration of forest stands to commercial production levels following the harvest of mature timber, or of insuring maximum growth potential of forest stands to commercial production levels. Such practices shall include those required to accomplish site preparation, natural and artificial forestation, noncommercial removal of residual stands for silvicultural purposes, cultivation of established young growth of desirable trees for silvicultural purposes, and improvement of immature forest stands for silvicultural purposes. In each case, approved practices will be determined by the needs of the individual forest stand. These practices shall include existing practices and such practices as are developed in the future to insure both maximum forest productivity and environmental protection."

DIRECT DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES TO ADDRESS MISLABELING OF PLANT-BASED PRODUCTS AS "MILK"

SECTION 6.(a) The following definitions apply to this section:

- (1) "Department" means the Department of Agriculture and Consumer Services.
- (2) "FDA" means the United States Food and Drug Administration.
- (3) "Milk" means the lacteal secretion, practically free from colostrum, obtained by the complete milking of one or more healthy hooved mammals. Hooved mammals include, but are not limited to, the members of the Order Cetartiodactyla, such as: Family Bovidae (cattle, water buffalo, sheep, goats, yaks, etc.), Family Camelidae (llamas, alpacas, camels, etc.), Family Cervidae (deer, reindeer, moose, etc.), and Family Equidae (horses, donkeys, etc.).

SECTION 6.(b) In accordance with the established standard of identity for milk defined in 21 C.F.R. § 131.110 and the Pasteurized Milk Ordinance, the Department shall immediately develop an enforcement plan to enforce FDA's standard of identity for milk as

adopted in the North Carolina Administrative Code to prohibit the sale of plant-based products mislabeled as milk.

SECTION 6.(c) No later than 90 days after the effective date of this act, the Department shall begin to implement its enforcement plan, which shall include, but is not limited to, notification of the Department's intent to embargo all mislabeled products offered for sale in this State. All plant-based products displayed for sale in this State shall be labeled in accordance with FDA's standard of identity for milk and the Pasteurized Milk Ordinance no later than January 1, 2019.

SET QUORUM FOR AGRICULTURE AND FORESTRY AWARENESS STUDY COMMISSION

SECTION 7. G.S. 120-150 reads as rewritten:

"§ 120-150. Creation; appointment of members.

There is created an Agriculture and Forestry Awareness Study Commission. Members of the Commission shall be citizens of North Carolina who are interested in the vitality of the agriculture and forestry sectors of the State's economy. Members shall be as follows:

- (1) Three appointed by the Governor.
- (2) Three appointed by the President Pro Tempore of the Senate.
- (3) Three appointed by the Speaker of the House.
- (4) The chairs of the House Agriculture Committee.
- (5) The chairs of the Senate Committee on Agriculture, Environment, and Natural Resources.
- (6) The Commissioner of Agriculture or the Commissioner's designee.
- (7) A member of the Board of Agriculture designated by the chair of the Board of Agriculture.
- (8) The President of the North Carolina Farm Bureau Federation, Inc., or the President's designee.
- (9) The President of the North Carolina State Grange or the President's designee.
- (10) The Secretary of Environmental Quality or the Secretary's designee.
- (11) The President of the North Carolina Forestry Association, Inc., or the President's designee.

Members shall be appointed for two-year terms beginning October 1 of each odd-numbered year. The Chairs of the House Agriculture Committee and the Chairs of the Senate Committee on Agriculture, Environment, and Natural Resources shall serve as cochairs. The President Pro Tempore of the Senate and the Speaker of the House of Representatives may each appoint an additional member of the Senate and House, respectively, to serve as cochair. If appointed, these cochairs shall be voting members of the Commission. A quorum of the Commission is nine members."

AGRICULTURE AND FORESTRY AWARENESS STUDY COMMISSION STUDIES

SECTION 8.(a) The Agriculture and Forestry Awareness Study Commission shall study all of the following matters:

- (1) Requiring the holders of unused rights-of-way and utility easements to offer the easements to the underlying property owners for fair market value.
- (2) The advisability of excluding property enrolled in present use value taxation from rural fire protection district and county service district taxes.

SECTION 8.(b) The Agriculture and Forestry Awareness Study Commission shall complete the studies required by subsection (a) of this section and report its findings and recommendations, including any legislative proposals, to the General Assembly by January 1, 2019.

MANDATORY RECORD NOTICE OF PROXIMITY TO FARMLANDS

SECTION 9. G.S. 106-741 reads as rewritten:

"§ 106-741. Record notice of proximity to farmlands.

(a) ~~Any county that has a computerized land records system may require that such~~All counties shall require that land records include some form of notice reasonably calculated to alert a person researching the title of a particular tract that such tract is located within one-half mile of a poultry, swine, or dairy qualifying farm or within 600 feet of any other qualifying farm or within one-half mile of a voluntary agricultural district.

(b) In no event shall the county or any of its officers, employees, or agents be held liable in damages for any misfeasance, malfeasance, or nonfeasance occurring in good faith in connection with the duties or obligations imposed by any ordinance adopted under subsection (a).

(c) In no event shall any cause of action arise out of the failure of a person researching the title of a particular tract to report to any person the proximity of the tract to a qualifying farm or voluntary agricultural district as defined in this Article.

(d) In no event shall any cause of action arise out of the failure of a person licensed under Chapters 93A or 93E of the General Statutes for failure to report to any person the proximity of a tract to a qualifying farm or voluntary agricultural district as defined in this Article."

AMEND NORTH CAROLINA RIGHT TO FARM LAW

SECTION 10.(a) G.S. 106-701 reads as rewritten:

"§ 106-701. ~~When agricultural and forestry operation, etc., not constituted nuisance by changed conditions in or about the locality outside of the operation.~~Right to farm defense; nuisance actions.

(a) ~~No agricultural or forestry operation or any of its appurtenances shall be or become a nuisance, private or public, by any changed conditions in or about the locality outside of the operation after the operation has been in operation for more than one year, when such operation was not a nuisance at the time the operation began.~~No nuisance action may be filed against an agricultural or forestry operation unless all of the following apply:

(1) The plaintiff is a legal possessor of the real property affected by the conditions alleged to be a nuisance.

(2) The real property affected by the conditions alleged to be a nuisance is located within one half-mile of the agricultural or forestry operation. When the operation consists of multiple parcels, the one half-mile radius shall be measured from the parcel that is the alleged source of the nuisance.

(3) The action is filed within one year of the establishment of the agricultural or forestry operation or within one year of the operation undergoing a fundamental change.

(a1) ~~The provisions of subsection (a) of this section shall not apply when the plaintiff demonstrates that the agricultural or forestry operation has undergone a fundamental change. A~~For the purposes of subsection (a) of this section, a fundamental change to the operation does not include any of the following:

(1) A change in ownership or size.

(2) An interruption of farming for a period of no more than three years.

(3) Participation in a government-sponsored agricultural program.

(4) Employment of new technology.

(5) A change in the type of agricultural or forestry product produced.

(a2) ~~The provisions of subsection (a) of this section shall not apply whenever a nuisance results from the negligent or improper operation of any agricultural or forestry operation or its appurtenances.~~

(b) For the purposes of this Article, "agricultural operation" includes, without limitation, any facility for the production for commercial purposes of crops, livestock, poultry, livestock products, or poultry products.

(b1) For the purposes of this Article, "forestry operation" shall mean those activities involved in the growing, managing, and harvesting of trees.

(c) The provisions of subsection (a) shall not affect or defeat the right of any person, firm, or corporation to recover damages for any injuries or damages sustained by him on account of any pollution of, or change in condition of, the waters of any stream or on the account of any overflow of lands of any such person, firm, or corporation.

(d) Any and all ordinances of any unit of local government now in effect or hereafter adopted that would make the operation of any such agricultural or forestry operation or its appurtenances a nuisance or providing for abatement thereof as a nuisance in the circumstance set forth in this section are and shall be null and void; ~~provided, however, that the provisions of this subsection shall not apply whenever a nuisance results from the negligent or improper operation of any such agricultural or forestry operation or any of its appurtenances. Provided further, void. Provided, however,~~ that the provisions shall not apply whenever a nuisance results from an agricultural or forestry operation located within the corporate limits of any city at the time of enactment hereof.

(e) This section shall not be construed to invalidate any contracts heretofore made but insofar as contracts are concerned, it is only applicable to contracts and agreements to be made in the future.

(f) In a nuisance action against an agricultural or forestry operation, the court shall award costs and expenses, including reasonable attorneys' fees, to:

- (1) The agricultural or forestry operation when the court finds the operation was not a nuisance and the nuisance action was frivolous or malicious; or
- (2) The plaintiff when the court finds the agricultural or forestry operation was a nuisance and the operation asserted an affirmative defense in the nuisance action that was frivolous and malicious."

SECTION 10.(b) G.S. 106-702 reads as rewritten:

"§ 106-702. Limitations on private nuisance actions against agricultural and forestry operations.

(a) The compensatory damages that may be awarded to a plaintiff for a private nuisance action where the alleged nuisance emanated from an agricultural or forestry operation shall be as follows:

- (1) If the nuisance is a permanent nuisance, compensatory damages shall be measured by the reduction in the fair market value of the plaintiff's property caused by the nuisance, but not to exceed the fair market value of the property.
- (2) If the nuisance is a temporary nuisance, compensatory damages shall be limited to the diminution of the fair rental value of the plaintiff's property caused by the nuisance.

(a1) A plaintiff may not recover punitive damages for a private nuisance action where the alleged nuisance emanated from an agricultural or forestry operation that has not been subject to a criminal conviction or a civil enforcement action taken pursuant to a notice of violation for the conduct alleged to be the source of the nuisance within the three years prior to the first act on which the nuisance action is based.

(b) If any plaintiff or plaintiff's successor in interest brings a subsequent private nuisance action against any agricultural or forestry operation, the combined recovery from all such actions shall not exceed the fair market value of his or her property. This limitation applies regardless of whether the subsequent action or actions were brought against a different defendant than the preceding action or actions.

(c) This Article shall apply to any private nuisance claim brought against any party based on that party's contractual or business relationship with an agricultural or forestry operation.

(d) This Article does not apply to any cause of action brought against an agricultural or forestry operation for negligence, trespass, personal injury, strict liability, or other cause of action for tort liability other than nuisance, nor does this Article prohibit or limit any request for injunctive relief or punitive damages that are otherwise available."

SECTION 10.(c) This section is effective when it becomes law and applies to causes of action commenced on or after that date.

AMEND SOIL AND WATER CONSERVATION DISTRICT SUPERVISOR CONTINUING EDUCATION REQUIREMENTS

SECTION 12. G.S. 139-7.2 reads as rewritten:

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

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

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

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

SALES TAX EXEMPTION FOR A ZOO OPERATED BY A QUALIFYING FARMER

SECTION 13.(a) G.S. 105-164.13 reads as rewritten:

"§ 105-164.13. Retail sales and use tax.

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property, digital property, and services are specifically exempted from the tax imposed by this Article:

...

(70) Sales of items listed in G.S. 105-164.13E purchased by a qualifying farmer for use in a zoo operated by a qualifying farmer. For purposes of this subdivision, the term "qualifying farmer" has the same meaning as defined in G.S. 105-164.13E(a). Income from zoo operations are excluded for purposes of the income requirements for a qualifying farmer."

SECTION 13.(b) This section becomes effective retroactively to January 1, 2011, and applies to purchases made on or after that date. A person who paid sales and use tax for a return period ending prior to the date this section becomes law on an item exempt from sales and use tax pursuant to G.S. 105-164.13(70), as enacted by this section, may apply to the Department of Revenue for a refund of any excess tax paid to the extent the refund is the result of the change in the law enacted by this section. A request for a refund must be made on or before January 1, 2019. Notwithstanding G.S. 105-241.6, a request for a refund received after this date is barred and the provisions of G.S. 105-164.11 do not apply.

PROVIDE UNIFORMITY TO ASSESSMENT OF FARM MACHINERY

SECTION 14.(a) G.S. 105-317.1 reads as rewritten:

"§ 105-317.1. Appraisal of personal property; elements to be considered.

(a) Appraisal Elements. – Whenever any personal property is appraised it shall be the duty of the persons making appraisals to consider the following as to each item (or lot of similar items):

- (1) The replacement cost of the property;
- (2) The sale price of similar property;
- (3) The age of the property;

- (4) The physical condition of the property;
- (5) The productivity of the property;
- (6) The remaining life of the property;
- (7) The effect of obsolescence on the property;
- (8) The economic utility of the property, that is, its usability and adaptability for industrial, commercial, or other purposes; and
- (9) Any other factor that may affect the value of the property.

(b) Business Property. – In determining the true value of taxable tangible personal property held and used in connection with the mercantile, manufacturing, producing, processing, or other business enterprise of any taxpayer, the persons making the appraisal shall consider any information as reflected by the taxpayer's records and as reported by the taxpayer to the North Carolina Department of Revenue and to the Internal Revenue Service for income tax purposes, taking into account the accuracy of the taxpayer's records, the taxpayer's method of accounting, and the level of trade at which the taxpayer does business.

(b1) Farm Equipment. – In determining the true value of taxable farm equipment, the person making the appraisal may use any of the appraisal methods listed in subsection (a) of this section and must consider relevant taxpayer information as required under subsection (b) of this section. The Department must publish a depreciation schedule for farm equipment to assist counties that use the cost approach to appraise this equipment. The Department must make the schedule available electronically on its Web site. A county that uses a cost approach method to appraise this equipment must use the depreciation schedule published pursuant to this subsection.

(c) Appeal Process. – A taxpayer who owns personal property taxable in the county may appeal the value, situs, or taxability of the property within 30 days after the date of the initial notice of value. If the assessor does not give separate written notice of the value to the taxpayer at the taxpayer's last known address, then the tax bill serves as notice of the value of the personal property. The notice must contain a statement that the taxpayer may appeal the value, situs, or taxability of the property within 30 days after the date of the notice. Upon receipt of a timely appeal, the assessor must arrange a conference with the taxpayer to afford the taxpayer the opportunity to present any evidence or argument regarding the value, situs, or taxability of the property. Within 30 days after the conference, the assessor must give written notice to the taxpayer of the assessor's final decision. Written notice of the decision is not required if the taxpayer signs an agreement accepting the value, situs, or taxability of the property. If an agreement is not reached, the taxpayer has 30 days from the date of the notice of the assessor's final decision to request review of that decision by the board of equalization and review or, if that board is not in session, by the board of county commissioners. Unless the request for review is given at the conference, it must be made in writing to the assessor. Upon receipt of a timely request for review, the provisions of G.S. 105-322 or G.S. 105-325, as appropriate, must be followed."

SECTION 14.(b) This section is effective for taxes imposed for taxable years beginning on or after July 1, 2019.

CLARIFY CEMETERY PROPERTY TAX EXEMPTION

SECTION 15. G.S. 105-278.2(a) reads as rewritten:

"(a) Real property set apart for burial purposes shall be exempted from taxation unless it is owned and held for purposes of (i) sale or rental or (ii) sale of burial rights therein. No application is required under G.S. 105-282.1 for property exempt under this subsection. A county cannot deny the exemption provided under this subsection to a taxpayer that lacks a survey or plat detailing the exempt property."

LAW ENFORCEMENT MUTUAL AID AND VETERINARIAN COMITY FOR WORLD EQUESTRIAN GAMES

1 **SECTION 15.1.(a)** Article 10 of Chapter 153A of the General Statutes is amended
2 by adding a new section to read:

3 **"§ 153A-212.5. Mutual aid assistance by out-of-state law enforcement officers for**
4 **international equestrian event.**

5 (a) Any law enforcement agency may request and enter into intergovernmental law
6 enforcement mutual aid agreements with out-of-state law enforcement agencies or out-of-state
7 law enforcement officers to aid in enforcing the laws of North Carolina within the jurisdiction of
8 the requesting law enforcement agency for maintaining security and safety for an international
9 equestrian event.

10 (b) Any intergovernmental law enforcement mutual aid agreement entered into under this
11 section shall be in writing and may be comprised of any of the following:

12 (1) Allowing out-of-state law enforcement officers to work temporarily with
13 officers of the requesting law enforcement agency, including in an undercover
14 capacity.

15 (2) Furnishing, lending, or exchanging supplies, equipment, facilities, personnel,
16 and services as may be needed.

17 (3) Reciprocal law enforcement mutual aid and assistance between law
18 enforcement agencies.

19 (c) Any intergovernmental law enforcement mutual aid agreement entered into under this
20 section shall address all of the following:

21 (1) Standards of conduct for the out-of-state law enforcement officers, including
22 the requesting law enforcement agencies' policies regarding the use of force.

23 (2) Training requirements, as prescribed by the requesting law enforcement
24 agency.

25 (3) Reimbursement of costs and expenses for supplies, equipment, facilities,
26 personnel, services, and similar items if furnished, lent, or exchanged as part
27 of the intergovernmental law enforcement mutual aid agreement.

28 (4) Protocols for processing claims made against or by the out-of-state law
29 enforcement officer.

30 (5) Approval of the governing body, if the law enforcement agency is a sheriff or
31 municipal police force.

32 (d) While working with the requesting law enforcement agency under the authority of
33 this section, an out-of-state law enforcement officer shall have the same jurisdiction, powers,
34 rights, privileges, and immunities, including those relating to the defense of civil actions and
35 payment of judgments, as the officers of the requesting law enforcement agency. While on duty
36 with the requesting law enforcement agency, the out-of-state law enforcement officer shall be
37 subject to the lawful operational commands of the requesting law enforcement agency.

38 (e) Notwithstanding the provisions of Chapter 17C and Chapter 17E of the General
39 Statutes, out-of-state law enforcement officers certified and sworn in the officers' home
40 jurisdiction and subject to the provisions of an intergovernmental law enforcement mutual aid
41 agreement under this section shall be deemed to have met the certification requirements of this
42 State for the purposes of being sworn as a law enforcement officer with the requesting law
43 enforcement agency.

44 (f) Notwithstanding the provisions of G.S. 128-1 and G.S. 128-1.1(c1), out-of-state law
45 enforcement officers shall be authorized to hold dual offices when one of the appointive offices
46 held is that of a out-of-state law enforcement officer and the other appointive office is that of a
47 law enforcement officer for a law enforcement agency authorized to enter into an
48 intergovernmental law enforcement mutual aid agreement under this section.

49 (g) This section in no way reduces the jurisdiction or authority of State law enforcement
50 officers.

51 (h) As used in this section, the following definitions apply:

- (1) Law enforcement agency. – Any of the following:
- a. The Highway Patrol, as established by Article 4 of Chapter 20 of the General Statutes.
 - b. A sheriff serving a county sharing a border with another state and which county is the site of an equestrian event with worldwide participants.
 - c. A municipal police department for a municipality located, in whole or part, in a county sharing a border with another state and which municipality is the site of an equestrian event with worldwide participants.
- (2) Out-of-state law enforcement agency. – An employer which is a governmental agency outside of this State that meets all of the following criteria:
- a. Is assigned primary duties and responsibilities for prevention and detection of crime or the general enforcement of the criminal laws of the home jurisdiction or serving civil processes.
 - b. Has employees who possess the power of arrest by virtue of an oath administered under the authority of the home jurisdiction.
- (3) Out-of-state law enforcement officer. – A full-time paid employee of a governmental employer who meets all of the following criteria:
- a. Is actively serving in a position with assigned primary duties and responsibilities for prevention and detection of crime or the general enforcement of the criminal laws of the officer's home jurisdiction or serving civil processes.
 - b. Possesses the power of arrest by virtue of an oath administered under the authority of the home jurisdiction.
 - c. Is in good standing and has no pending civil, criminal, or departmental action that would disqualify the officer if the officer were certified by this State."

SECTION 15.1.(b) Article 11 of Chapter 90 of the General Statutes is amended by adding a new section to read:

"§ 90-187.3A. Comity for out-of-state veterinarians and international veterinarians for international equestrian event.

(a) Any nonresident veterinarian validly licensed in another state, territory, or district of the United States or a foreign country may submit to the Board an application for a licensure to practice veterinary medicine in this State.

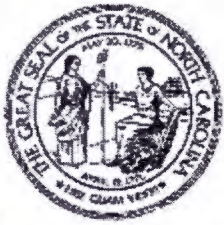
(b) The Board shall issue, without written examination, a license to practice veterinary medicine in this State to a nonresident veterinarian validly licensed in another state, territory, or district of the United States or a foreign country who submits an application for licensure. The Board shall not charge the fee authorized in G.S. 90-186(6)e. for the issuance of a license under this section."

SECTION 15.1.(c) This section is effective when it becomes law and expires October 1, 2018.

SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 16.(a) If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and, to this end, the provisions of this act are declared to be severable.

SECTION 16.(b) Except as otherwise provided, this act is effective when it becomes law.



NORTH CAROLINA GENERAL ASSEMBLY

Session 2017

Legislative Fiscal Note

Short Title: NC Farm Act of 2018.
Bill Number: Senate Bill 711 (Third Edition)
Sponsor(s): Senators B. Jackson, Cook, and Sanderson

SUMMARY TABLE

FISCAL IMPACT OF S.B.711, V.3					
	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>
Handler's Act					
General Fund Revenue	-	-	-	-	-
Less Expenditures	-	-	-	-	-
Handler's Act Impact	No Fiscal Impact				
Farmers' Zoo Expenditures					
General Fund Revenue	No Estimate Available - Refer to Fiscal Analysis section.				
Less Expenditures	-	-	-	-	-
Zoo Exemption Impact	-	-	-	-	-
Farm Machinery Assessment					
General Fund Revenue	Insignificant Revenue Change				
Less Expenditures	-	-	-	-	-
Farm Machinery Impact	-	-	-	-	-
NET STATE IMPACT	-	-	-	-	-

FISCAL IMPACT SUMMARY

Senate Bill 711 makes multiple changes to the State's agriculture laws. This fiscal note addresses only the fiscal impact associated with specific sections as described below.

Section 1 requires handlers of fruits and vegetables desiring to transact business in this State to register with the Department of Agriculture and Consumer Services (DACS). DACS will be able to manage the potential fiscal impacts of this section using available funds.

Section 13 expands the existing sales and use tax exemption for qualifying farmers to include certain items for use in a zoo, when the items are purchased by a qualifying farmer for a zoo operated by a qualifying farmer.



Section 14 directs the Department of Revenue to publish a depreciation schedule for farm equipment and requires any county using the cost method for purposes of determining the value of farm equipment for property tax purposes to use the depreciation schedule provided by the Department.

FISCAL ANALYSIS

Section 1: The Handler's Act currently requires handlers who have entered into a written contract with producers of fruits and vegetables to obtain a permit from the Commissioner of Agriculture (Commissioner). Approximately 17 companies are affected. The bill will broaden the scope of the Handler's Act by removing the need for a written contract to include any person in the business of transferring fruits and vegetables grown in North Carolina, adding an estimated 275 companies. According to DACS, the Marketing Specialist who currently maintains the Handler's Act spends approximately 25 percent of their time on the Act. DACS believes the registration process and maintenance of the database can be absorbed by its current employees, and does not request any additional positions in order to implement the bill.

Section 1 also amends G.S. 106-501.1 to allow the Commissioner to assess a civil penalty up to \$100 against any person or entity who violates any provision of the bill. The proceeds shall be remitted to the Civil Penalty and Forfeiture Fund. No estimate is available for this provision since its enforcement is at the discretion of the Commissioner.

Section 13: Under G.S. 105-164.13E, multiple types of items purchased by a "qualifying farmer" for use in farming are exempt from sales and use tax. The current exemption includes a variety of farm-related items including farm machinery, seeds, and electricity if metered separately. Under statute, a "qualifying farmer" is a person whose annual income from farming operations averages at least \$10,000 per year.

Section 13 expands this exemption so that the same items are exempt when purchased by a qualifying farmer for use in a zoo operated by a qualifying farmer.

According to data from the Department of Revenue, the current exemptions for qualifying farmers under G.S. 105-164.13E cost the State just over \$300 million in lost tax revenue for FY 2016-17, with a corresponding loss to local governments of approximately \$130 million. Expanding the exemption to include items purchased for zoos operated by a qualifying farmer would reduce State and local tax revenue further, but by an unknown amount.

The revenue loss cannot be quantified for several reasons:

- The number of qualifying farmers in the State who operate zoos is unknown;
- The term "zoo" is not defined in the tax statutes, leaving up to the Department of Revenue the determination of what constitutes a zoo operated by a qualifying farmer.
- It is presumed that the zoos operated by qualifying farmers are relatively small zoos, and no data exists about the spending of small and/or privately-owned zoos on the types of items exempt from tax in the bill.



Section 14: Property tax assessors are required to determine the tax value of real and personal property based on its true market value. Assessors may use multiple methods to determine the value. In the case of farm machinery, assessors may use pricing guides to determine the value based on the cost of similar equipment, or they may use the cost approach, which uses the acquisition cost as a starting point and depreciates that cost each year to account for declining value.

Counties that use the cost approach use different trending schedules to determine the amount of depreciation over the life of the equipment. Section 14 provides that counties using the cost approach must use the trending schedule published by the Department of Revenue. This change will provide consistency in how equipment values are depreciated, but will not result in any significant change in revenue.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

The Department of Agriculture and Consumer Services; the Department of Revenue.

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

ESTIMATE PREPARED BY

Katherine Tamer, Rodney Bizzell, and Denise Canada

ESTIMATE APPROVED BY

Mark Trogon, Director of Fiscal Research
Fiscal Research Division
June 6, 2018



Signed copy located in the NCGA Principal Clerk's Offices



VISITOR REGISTRATION SHEET

House Committee on Agriculture

06/12/2018

Name of Committee

Date

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Brian Powell	NC Conservation Network
Bo Heath	MWC
Lu Liley	Governor
Sam Carrin	STC Assoc.
THOM GOOKLEY	Gookley Govt Relations
Zane Buckner	citizen (youth)
Julia White Buckner	Mom
Katy Kinyon	BP
Cassie Gavia	Sierra Club
Alan Ko	NC Sierra Club
Benjamin Oates	Smithfield



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Craig Craft	Smithfield
MaryMaele Ashli	SEU
Brooks Rang Parson	SEU
Jason Soper	NC Chamber
Joe Scott	Mayor Mount Olive
Edna Pride	Planing board Mt Olive N.C.
Steve Wiggins	Commissioner Mt Olive L.C.
Vicky Barden	Commission Mt. Olive N.C. 28365
Chris Rodriguez	NCEMCS
J. J. Parson	NC AEC



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Elvie Herring	NCEJN
Walter Murray	REACH
Bruce Jones	Business Coach
Nate Jones	Student
Scott Brown	Farmer
Hutch Jones	Mayor Town of Beaufort
Michael A. Nix	HCGOP Vice-chairman
Dennis Kelly	AG ALLIANCE OF NC
John Cooper	CONNECT C



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Will Hendrick	WEA
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Shannon Bell	DC
Gerald B. Wilson	DC
Brad Cornelius	CAPE FEAR FARM CREDIT
Doug Brady	Dupli County
Dylan Bat-hace	Intern - Rep. Carney



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ELM CITY, NC

Nathan Varnell

Elm City, NC

James Varnell

Elm City, NC

Larry Baldwin

Crystal Coast Waterkeeper +
White Oak - New Riverkeeper Alliance

Jimmy L. Wadmon

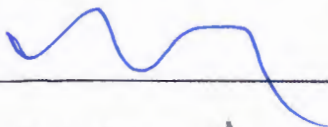
Kearneysville NC

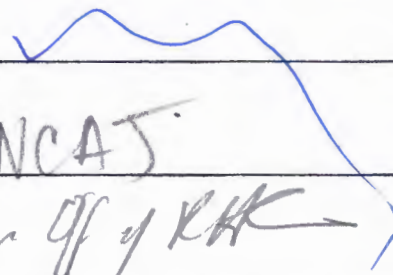
Violet BRANCH

REACH
WARSAW NC 28390

Jeff Jennings

NCSPA - Raleigh





Abby Hammond

NCAJ

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Law Off of RAK

Amy McConkey

NC BEV



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Ashley Thomas	NC Soybean Producers Assoc
TREVOR JOHNSON	PEPSI BOTTLING VENTURES
Tyler Bowden	Fetzer Strategic Partners
Wendy Darden	ARC
Jon Carr	Jordan Price
David Ferrell	MP
LAURA PURYEAR	MWC
Jonathan Babcock	Babcock & Assoc.
Tim Wigginton	A RLLC



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Corey Pilson	NCCN
Matt Wechsler	Hourglass Films
Pierce Shipway	JDA
LEW STARLING	Plus d. J.
Curtis McDonald	BMS
Judith Jenkins	Otsuka
Kelli Kukura	Duke Energy
Ellen Canavan	citizen
Ken Borio	MWC
Don LaCie	citizen
Albert Stuart	citizen.



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Cathy Thomas	FOCUS Carolina
JDE LANIER	TROUTMAN
Xavier Brown	Union Rep Reps
Liz Bahnsen	MPC
Rochelle Smith	CFSA
Carl Gilmore	Jim Hurrell
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<i>John Williams</i>	<i>Farming</i>
<i>Jimmy Hami</i>	<i>SFD</i>
<i>Neal Bowman</i>	<i>Oakmere Farm</i>
<i>Bob Slaughter</i>	<i>SFD</i>
<i>Edward Sanders</i>	<i>SFD</i>
<i>Subomi Atiker</i>	<i>SFD</i>
<i>Zachary Faircloth</i>	<i>Farming</i>
<i>Joshua Outlaw</i>	<i>SFD</i>
<i>Kendal Williams</i>	<i>SFD</i>
<i>Nick Billman</i>	<i>WM</i>
<i>Charley Finner</i>	<i>Tony Walker</i>



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Stevie Cox	Town of Wallace
Amber Harris	NEA/C
Michelle Paul Davis	Clayton, Johnston County
Candice Eller Morgan	Trenton, NC
A.J. Connors	Town of Warsaw NC
Norman Jordan Jr	Brush Creek Swiss Farms Star City
Chester Lowder	NC Farm Bureau
Robert Naylor	Newton Grove, NC 28366
David Peterson	HOB Spot INC. Newton Grove NC
Neill Westerbeck	306 Decatur Tr. Clinton, NC
Stephen Bath	309 NUN STREET WILMINGTON NC



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Morris Murphy	542 Piney Grove Rd Albertson NC 28508 Triple M Family Farms Inc.
Linda Murphy	Triple M Family Farms INC 542 Piney Grove Rd Albertson NC
John HARDIN	MFS
Will Morgan	MFS
Andy Miller	DEQ
Shirley Nunn	DEQ
Chris McClure	BP
Elizabeth Biss	BP
John	MWC
Reginald Paulsen	Agri.
TOM BEAN	EDF



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Andy Ellen	NCRMA
M. DORR	ATP
Rob Lamm	RLA
SUSAN VICK	DUKE ENERGY
PRESTON HOWARD	NCMA
Perry Smith	SoG
Shado Lee	SFD
Carolyn E Rowe	SFD
Lynn Underwood	SFD
Pam Register	SFD



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Resha Furtson	SEANC
Lisa Arthur	JLF
Erin Nesbitt	JLF
Maggie Pollard	Student
Michelle Workman	
Brandon Robinson	NRNLT
Henry Jones	NC Wildlife Fed
Bob Ford	NC Poultry Fed
Van Wealhyth	NCSGA
Angie Maier	NC Park
Kerry Kuger	NCRMA



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RHONDA GARRISON	CORN GROWERS ASSOC. OF NC
BRYAN BLINSON	1300 ANNAPOLIS DR. STE 101 RALEIGH 27615 NC CATTLEMAN'S ASSOC. 2228 N MAIN ST FARMINGTON 27526
Tommy Stevens	Stevens Lobby
Mitch peeler	NC Farm Bureau
Paul Sherman	NCFB
Peter Daniel	NCFB
Kara Weishaar	SA
Leah Byers	Civitas
Amanda Falkenberg	JDA
Will Robinson	The Nature Conservancy
Linnea Howe	SEANC



Sign-Up Sheet for Public Comment: Speakers Allotted 2 minutes each

Name

Title

~~Phil Jones~~

~~Christy Fennell~~

~~Steve Cox~~

~~Brian Conner~~

~~Frank Wilson~~

~~Sharon Bell~~

✓ ~~Harry Grady~~

✓ ~~Mike Henson~~

~~Eric Herring~~ (8')

✓ ~~Robert Herring~~

~~Joe Herring~~

~~Joe Herring~~

~~Joe Herring~~

~~Neat Bowman~~

COMMISSIONER STEVE TROXER

~~Norman Jordan~~

✓ Dan Wellington

~~Joe Herring~~

~~Joe Herring~~

Mayor - Town of Beaufort

Mayor - Wallace, NC

Manager - Wallace, NC

President - Cape Fear Farm Credit

Resident - Duplin County

Resident - Duplin County

Commissioner - Duplin County

CITIZEN OF NORTH CAROLINA

Organizer - REACH

Citizen - REACH

" "

Water keeper

Robeson City Farmer

Brown Summit Farmer

COMMISSIONER of NC AGRICULTURE

NC Dairy Producer

NC Small Farm Grower

Mayor - Town of Mt. Olive NC

Commissioner Town of Mt. Olive

Edna Pride Town of Mt. Olive



Sign-Up Sheet for Public Comment: Speakers Allotted 2 minutes each

Name

Title

~~Kelly~~ ~~AST~~
~~Cheryl Allen~~
~~Michelle Pace Davis~~
~~Andrea Morgan~~
~~Andy Elton~~
~~AS Corners~~
~~Sean Starling~~
~~Timothy Wynn~~

Ag Alliance of NC

MAJOR GOSSARD NC

Pace Family Farms, farmer

Jones County resident

NC Retail Merchants Assoc.

Mayor Warsaw NC

CLINTON NC

Kenansville, NC

