

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**SECTION 1.(a)** Article 44 of Chapter 106 of the General Statutes is repealed.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



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

15 **"§ 106-501.2. Registration required.**

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

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

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

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

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

29 **"§ 106-501.3. Exemptions to registration.**

30       This Article shall not apply to:

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

40 **"§ 106-501.4. Authority of the Board of Agriculture.**

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

42 **"§ 106-501.5. Civil penalties.**

43       (a)    The Commissioner may assess a civil penalty of not more than one hundred dollars  
44 (\$100.00) per violation against any person or business entity who violates a provision of this  
45 Article or any rule adopted thereunder. In determining the amount of the penalty, the  
46 Commissioner shall consider the degree and extent of harm caused by the violation. The clear  
47 proceeds of civil penalties assessed pursuant to this section shall be remitted to the Civil Penalty  
48 and Forfeiture Fund in accordance with G.S. 115C-457.2.

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

1 **"§ 106-501.6. Injunctions.**

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

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

10  
11 **DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES**  
12 **CONFIDENTIALITY CHANGE**

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

14 **"§ 106-24.1. Confidentiality of information collected and published.**

15 All information published by the Department of Agriculture and Consumer Services pursuant  
16 to this Part shall be classified so as to prevent the identification of information received from  
17 individual farm operators. All information generated by any federal agency received pursuant to  
18 this ~~Part~~ Chapter that is confidential under federal law shall be held confidential by the  
19 Department and its ~~employees~~ employees, unless confidentiality is waived by the federal agency.  
20 All information collected by the Department from farm owners or animal owners, including, but  
21 not limited to, certificates of veterinary inspection, animal medical records, laboratory reports  
22 received or generated from samples submitted for analysis, or other records that may be used to  
23 identify a person or private business entity subject to regulation by the Department shall not be  
24 disclosed without the permission of the owner unless the State Veterinarian determines that  
25 disclosure is necessary to prevent the spread of an animal disease or to protect the public health,  
26 or the disclosure is necessary in the implementation of these animal health programs."  
27

28 **EXEMPT GOT TO BE NC AGRICULTURE MERCHANDISE FROM UMSTEAD ACT**

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

30 **"§ 66-58. Sale of merchandise or services by governmental units.**

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

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

46 ...

47 (13b) The Department of Agriculture and Consumer Services with regard to its  
48 lessees at farmers' markets operated by the Department.

49 (13c) The Western North Carolina Agricultural Center.

50 (13d) Agricultural centers or livestock facilities operated by the Department of  
51 Agriculture and Consumer Services.

1           (13e) The Department of Agriculture and Consumer Services with regard to its Got  
2           to Be NC Agriculture promotion.  
3           ...."

4  
5 **ALLOW DISTRIBUTION OF VERIFIED PROPAGULES BY INDUSTRIAL HEMP**  
6 **COMMISSION**

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

8 **"§ 106-568.51. Definitions.**

9           The following definitions apply in this Article:

- 10           (1) ~~Certified seed. — Industrial hemp seed that has been certified as having a~~  
11           ~~delta-9 tetrahydrocannabinol concentration less than that adopted by federal~~  
12           ~~law in the Controlled Substances Act, 21 U.S.C. § 801 et seq.~~  
13           (2) Commercial use. — The use of industrial hemp as a raw ingredient in the  
14           production of hemp products.  
15           (3) Commission. — The North Carolina Industrial Hemp Commission created by  
16           this Article.  
17           (4) Department. — The North Carolina Department of Agriculture.  
18           (5) Grower. — Any person licensed to grow industrial hemp by the Commission  
19           pursuant to this Article.  
20           (6) Hemp products. — All products made from industrial hemp, including, but not  
21           limited to, cloth, cordage, fiber, food, fuel, paint, paper, particleboard,  
22           plastics, seed, seed meal and seed oil for consumption, and ~~certified~~  
23           ~~seed~~ verified propagules for cultivation if the seeds originate from industrial  
24           hemp varieties.  
25           (7) Industrial hemp. — All parts and varieties of the plant *Cannabis sativa* (L.),  
26           cultivated or possessed by a grower licensed by the Commission, whether  
27           growing or not, that contain a delta-9 tetrahydrocannabinol concentration of  
28           not more than three-tenths of one percent (0.3%) on a dry weight basis.  
29           (7a) Industrial hemp research program. — The research program established  
30           pursuant to G.S. 106-568.53(1).  
31           (7b) State land grant university. — North Carolina State University and North  
32           Carolina A&T State University.  
33           (8) Tetrahydrocannabinol or THC. — The natural or synthetic equivalents of the  
34           substances contained in the plant, or in the resinous extractives of, cannabis,  
35           or any synthetic substances, compounds, salts, or derivatives of the plant or  
36           chemicals and their isomers with similar chemical structure and  
37           pharmacological activity.  
38           (9) Verified propagule. — A seed or clone from an industrial hemp plant from  
39           which THC concentration samples have been tested by a qualified laboratory  
40           and confirmed as having a delta-9 tetrahydrocannabinol concentration less  
41           than that adopted by federal law in the Controlled Substances Act, 21 U.S.C.  
42           § 801, et seq."

43  
44 **TECHNICAL CORRECTIONS TO FORESTRY STATUTES**

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

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

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

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

4 "**§ 106-981. Manner of organizing.**

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

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

15 "**§ 106-982. Directors.**

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

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

19 "**§ 106-1003. Deposit of receipts with State treasury.**

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

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

23 "(2) "Approved practices" mean those silvicultural practices approved by the  
24 ~~Secretary, Commissioner~~ for the purpose of commercially growing timber  
25 through the establishment of forest stands, of insuring the proper regeneration  
26 of forest stands to commercial production levels following the harvest of  
27 mature timber, or of insuring maximum growth potential of forest stands to  
28 commercial production levels. Such practices shall include those required to  
29 accomplish site preparation, natural and artificial forestation, noncommercial  
30 removal of residual stands for silvicultural purposes, cultivation of established  
31 young growth of desirable trees for silvicultural purposes, and improvement  
32 of immature forest stands for silvicultural purposes. In each case, approved  
33 practices will be determined by the needs of the individual forest stand. These  
34 practices shall include existing practices and such practices as are developed  
35 in the future to insure both maximum forest productivity and environmental  
36 protection."  
37

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

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

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

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

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

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

9  
10 **SET QUORUM FOR AGRICULTURE AND FORESTRY AWARENESS STUDY**  
11 **COMMISSION**

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

13 **"§ 120-150. Creation; appointment of members.**

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

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

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

39  
40 **AGRICULTURE AND FORESTRY AWARENESS STUDY COMMISSION STUDIES**

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

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

47 **SECTION 8.(b)** The Agriculture and Forestry Awareness Study Commission shall  
48 complete the studies required by subsection (a) of this section and report its findings and  
49 recommendations, including any legislative proposals, to the General Assembly by January 1,  
50 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.~~

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

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

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

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

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

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

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

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

30 **"§ 106-702. Limitations on private nuisance actions against agricultural and forestry**  
31 **operations.**

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

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

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

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



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

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

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

9  
10 **AMEND SOIL AND WATER CONSERVATION DISTRICT SUPERVISOR**  
11 **CONTINUING EDUCATION REQUIREMENTS**

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

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

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

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

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

21  
22 **SALES TAX EXEMPTION FOR A ZOO OPERATED BY A QUALIFYING FARMER**

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

24 **"§ 105-164.13. Retail sales and use tax.**

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

28 ...

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

34 **SECTION 13.(b)** This section becomes effective retroactively to January 1, 2011,  
35 and applies to purchases made on or after that date. A person who paid sales and use tax for a  
36 return period ending prior to the date this section becomes law on an item exempt from sales and  
37 use tax pursuant to G.S. 105-164.13(70), as enacted by this section, may apply to the Department  
38 of Revenue for a refund of any excess tax paid to the extent the refund is the result of the change  
39 in the law enacted by this section. A request for a refund must be made on or before January 1,  
40 2019. Notwithstanding G.S. 105-241.6, a request for a refund received after this date is barred  
41 and the provisions of G.S. 105-164.11 do not apply.

42  
43 **PROVIDE UNIFORMITY TO ASSESSMENT OF FARM MACHINERY**

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

45 **"§ 105-317.1. Appraisal of personal property; elements to be considered.**

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

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

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

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

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

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

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

#### 41 **CLARIFY CEMETERY PROPERTY TAX EXEMPTION**

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

43 (a) Real property set apart for burial purposes shall be exempted from taxation unless it  
44 is owned and held for purposes of (i) sale or rental or (ii) sale of burial rights therein. No  
45 application is required under G.S. 105-282.1 for property exempt under this subsection. A county  
46 cannot deny the exemption provided under this subsection to a taxpayer that lacks a survey or  
47 plat detailing the exempt property."  
48

#### 49 **LAW ENFORCEMENT MUTUAL AID AND VETERINARIAN COMITY FOR WORLD** 50 **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           (1) Law enforcement agency. – Any of the following:  
2           a. The Highway Patrol, as established by Article 4 of Chapter 20 of the  
3           General Statutes.  
4           b. A sheriff serving a county sharing a border with another state and  
5           which county is the site of an equestrian event with worldwide  
6           participants.  
7           c. A municipal police department for a municipality located, in whole or  
8           part, in a county sharing a border with another state and which  
9           municipality is the site of an equestrian event with worldwide  
10           participants.  
11          (2) Out-of-state law enforcement agency. – An employer which is a governmental  
12          agency outside of this State that meets all of the following criteria:  
13          a. Is assigned primary duties and responsibilities for prevention and  
14          detection of crime or the general enforcement of the criminal laws of  
15          the home jurisdiction or serving civil processes.  
16          b. Has employees who possess the power of arrest by virtue of an oath  
17          administered under the authority of the home jurisdiction.  
18          (3) Out-of-state law enforcement officer. – A full-time paid employee of a  
19          governmental employer who meets all of the following criteria:  
20          a. Is actively serving in a position with assigned primary duties and  
21          responsibilities for prevention and detection of crime or the general  
22          enforcement of the criminal laws of the officer's home jurisdiction or  
23          serving civil processes.  
24          b. Possesses the power of arrest by virtue of an oath administered under  
25          the authority of the home jurisdiction.  
26          c. Is in good standing and has no pending civil, criminal, or departmental  
27          action that would disqualify the officer if the officer were certified by  
28          this State."

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

31 **"§ 90-187.3A. Comity for out-of-state veterinarians and international veterinarians for**  
32 **international equestrian event.**

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

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

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

#### 43 **SEVERABILITY CLAUSE AND EFFECTIVE DATE**

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

48           **SECTION 16.(b)** Except as otherwise provided, this act is effective when it becomes  
49 law.  
50