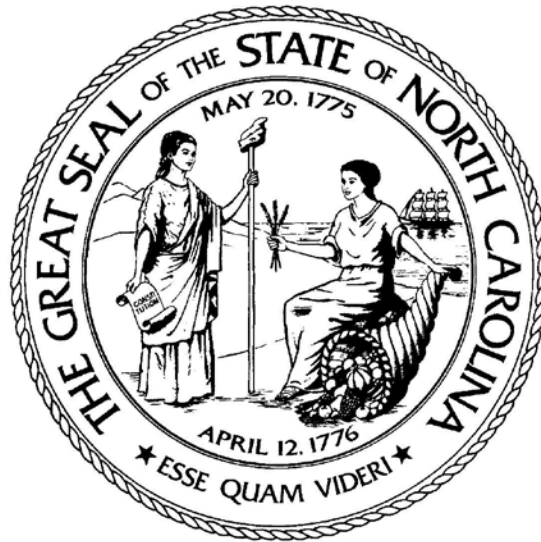


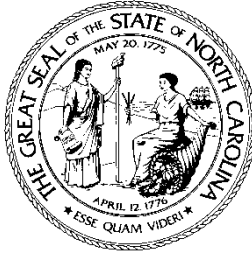
**House Appropriations Committee on
Agriculture and Natural and
Economic Resources**

**Proposed Special Provisions for
S.B. 257, Appropriations Act of 2017**



May 25, 2017

GENERAL ASSEMBLY OF NORTH CAROLINA



**SPECIAL PROVISIONS
HOUSE APPROPRIATIONS, AGRICULTURE AND NATURAL AND ECONOMIC
RESOURCES REPORT**

MAY 24, 2017

Report Last Updated: May 24, 2017 10:09 p.m.

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GENERAL ASSEMBLY OF NORTH CAROLINA

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2017-AGRIC-H2(S12.1)i

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

1 ***ELIMINATE PESTICIDE ADVISORY COMMITTEE***

2 **SECTION 12.1.(a)** Effective July 1, 2017, the Pesticide Advisory Committee is
3 abolished, and all records, property, and unexpended balances of funds of the Committee are
4 transferred to the Structural Pest Control and Pesticides Division of the Department of
5 Agriculture and Consumer Services.

6 **SECTION 12.1.(b)** G.S. 143-439 and subdivision (6) of G.S. 143-460 are repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

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SPECIAL PROVISION



2017-AGRIC-H6-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 ***KEEP LINVILLE RIVER NURSERY OPEN***

2 **SECTION #.** The North Carolina Forest Service shall continue operations at the
3 Linville River Nursery in Avery County during the 2017-2019 fiscal biennium and shall not
4 close the nursery without authorization from the General Assembly.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-AGRIC-H5-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 **HEALTHY FOOD/SMALL RETAILER**

2 **SECTION #.(a)** The funds appropriated by this act for the Healthy Food/Small
3 Retailer program shall be used to continue a program to reimburse small food retailers for
4 expenditures related to enhancing access to healthy foods in areas that qualify as food desert
5 zones according to the Economic Research Service of the United States Department of
6 Agriculture. For the purposes of this section, a small food retailer is defined as a business that
7 is a small retail outlet, including corner stores, convenience stores, cooperatives, and bodegas,
8 of no more than 3,000 heated square feet that sells a limited selection of foods and other
9 products. Funds may be used to reimburse small food retailers for the purchase and installation
10 of refrigeration equipment, display shelving, and other equipment necessary for stocking
11 nutrient-dense foods, including fresh vegetables and fruits, whole grains, nuts, seeds, beans and
12 legumes, low-fat dairy products, lean meats, and seafood.

13 **SECTION #.(b)** The Department may reimburse up to twenty-five thousand
14 dollars (\$25,000) to each eligible small food retailer. Small food retailers receiving moneys
15 from the program shall accept or agree to accept Supplemental Nutrition Assistance Program
16 benefits and shall accept or agree to apply to accept Special Supplemental Nutrition Program
17 for Women, Infants, and Children benefits. The Department shall establish guidelines for
18 application and receipt of funding for small food retailers to ensure that the funds shall be used
19 to enhance and advertise the availability of nutrient-dense foods. The Department shall assist
20 the small food retailer in identifying suppliers of nutrient-dense foods and in developing a
21 strategy to encourage the sale of nutrient-dense foods to customers.

22 **SECTION #.(c)** On or before October 1, 2018, the Department shall report to the
23 Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources
24 and the Fiscal Research Division on the activities, number of small food retailers receiving
25 reimbursement, how the funds were used by the small food retailers, and the gross amount of
26 nutrient-dense food, in dollars, sold to customers by participating small food retailers.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-AGRIC-H4-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 **BEEHIVE GRANT FUND**

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

4 "Article 55A.

5 "Beehive Grants.

6 "**§ 106-650. Beehive Grant Fund.**

7 (a) Establishment. – The North Carolina Beehive Grant Fund is established as a special
8 fund in the Department of Agriculture and Consumer Services. The Department is responsible
9 for administering the Fund using personnel and other administrative resources of the
10 Agricultural Development and Farmland Preservation Trust Fund program. The Fund may
11 receive funds appropriated by the General Assembly and any gifts, grants, or donations from
12 any public or private sources.

13 (b) Purposes. – Funds in the North Carolina Beehive Grant Fund shall be used, as
14 available, to encourage the establishment of new beehives in the State. Grants from the Fund
15 shall be made upon application to the Beehive Grant Program as set forth in G.S. 106-651.

16 "**§ 106-651. Beehive Grant Program.**

17 (a) Definitions. – The definitions in G.S. 105-164.3 and the following definitions apply
18 in this Article:

19 (1) Eligible activity. – Any of the following:

20 a. The purchase of a new hive for bees.

21 b. The purchase of materials or supplies to be used for the construction
22 of a new hive for bees.

23 (2) Eligible beekeeper. – A resident of the State who meets the following
24 requirements:

25 a. The person is at least 18 years of age.

26 b. The person is a Certified Beekeeper as determined by the North
27 Carolina State Beekeepers Association at the time of filing of the
28 grant application.

29 (3) Fund. – The Beehive Grant Fund established by G.S. 106-650.

30 (b) Grants. – Any eligible beekeeper may apply for a grant from the Fund for an eligible
31 activity. The Department shall specify the form and contents of the application, including
32 procedures for the submission of applications electronically. The Board may establish a fee for
33 grant applicants to recover the reasonable costs of reviewing and processing applications.
34 Grants shall be limited to two hundred dollars (\$200.00) per new hive, up to a maximum grant
35 of two thousand four hundred dollars (\$2,400) per grant recipient in any year, and shall be
36 issued in the order that each completed eligible application is received. In the event that the
37 amount of eligible grants requested in a fiscal year exceeds the funds available in the Fund, the
38 grants shall be paid in the next fiscal year in which funds are available.

39 (c) Rule making. – The Board may issue rules to implement the requirements of this
40 Article."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-AGRIC-H3-P

Department of Agriculture and Consumer Services
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 ***NEW MARKET OPPORTUNITIES FOR FARMERS***

2 **SECTION #.(a)** Notwithstanding any other provision of law to the contrary, the
3 nonrecurring funds appropriated to the Marketing Division of the Department of Agriculture
4 and Consumer Services for new market opportunities in the 2016-2017 fiscal year shall carry
5 forward to the 2017-2018 fiscal year.

6 **SECTION #.(b)** The funds available to the Marketing Division of the Department
7 of Agriculture and Consumer Services for new market opportunities shall be used to identify
8 new market opportunities for agricultural and silvicultural producers related to products that
9 producers currently hold, produce, or are capable of producing. The funds are available for
10 activities including identifying new markets and barriers to market entry; catalyzing efforts to
11 accelerate and ease market participation; utilizing relevant agricultural, forestry, and
12 stakeholder networks; and creating mechanisms to ensure quality assurance for products and
13 service providers.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Drafting
SPECIAL PROVISION



2017-DEQ-H5(S13.1)i

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

1 ***I & M AIR POLLUTION CONTROL ACCOUNT***

2 **SECTION 13.1.** G.S. 143-215.3A(b1) reads as rewritten:

3 "(b1) The I & M Air Pollution Control Account is established as a nonreverting account
4 within the Department. Fees transferred to the Division of Air Quality of the Department
5 pursuant to G.S. 20-183.7(c) shall be credited to the I & M Air Pollution Control Account and
6 shall be applied to ~~the costs of developing and implementing an air pollution control program~~
7 ~~for mobile sources administering the air quality program.~~"

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DEQ-H6A(S13.2)-P

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

1 **VOLKSWAGEN SETTLEMENT FUNDS**

2 **SECTION 13.2.(a)** In developing the "Beneficiary Mitigation Plan" (Plan) as
3 mandated in the procedures for distribution of the State's share of the environmental mitigation
4 trust established in the consent decree resolving the case *In Re: Volkswagen "Clean Diesel"*
5 *Marketing, Sales Practices, and Products Liability Litigation*, Civil Case No. 3:15-md-02672
6 in the United States District Court for the Northern District of California, the agency designated
7 by the Governor as the lead agency under the procedures set forth in the trust agreement shall
8 consult with the Department of Transportation and other interested State agencies in the
9 formulation of the Plan. In addition, the lead agency shall consider the following parameters
10 when setting priorities and evaluating proposals for expenditure of the funds:

- 11 (1) The degree to which expenditures in an eligible funding category will attract
12 new employers to the State or will encourage job growth from existing
13 employers.
14 (2) The benefits to small businesses from the categories of expenditures
15 proposed in the Plan.
16 (3) The extent to which expenditures of funds under the Plan for replacement or
17 repowering of vehicles shall result in the use of new diesel or alternate
18 fueled vehicles, engines, and parts that are manufactured or assembled in
19 this State.
20 (4) The importance of reducing emissions from operation of transportation
21 infrastructure through the repowering or replacement of State-owned modes
22 of transportation.

23 **SECTION 13.2.(b)** As set forth in G.S. 114-2.4A(f), no funds may be expended
24 under the Plan until the lead agency has submitted the Plan to the Joint Legislative Commission
25 on Governmental Operations, the chairs of the House and Senate Appropriations Committees,
26 and the Fiscal Research Division and the General Assembly has appropriated the funds. The
27 lead agency designated by the Governor shall revise and resubmit the Plan to the trustee
28 following the procedures set forth in the trust agreement to be consistent with the appropriation.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DEQ-H14A(S13.4)-P

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

1 **PRE-REGULATORY LANDFILL OWNER-LED CLEANUP**

2 **SECTION 13.4.(a)** G.S. 130A-310.6 reads as rewritten:

3 **"§ 130A-310.6. State action upon default of responsible parties or when no responsible**
4 **party can be located.**

5 ...

6 (c) The Secretary shall use funds allocated to the Department under G.S. 130A-295.9(1)
7 G.S. 130A-295.9 to assess pre-1983 landfills, to determine the priority for remediation of
8 pre-1983 landfills, and to develop and implement a remedial action plan for each pre-1983
9 landfill that requires remediation. Environmental and human health risks posed by a pre-1983
10 landfill may be mitigated using a risk-based approach for assessment and remediation.

11 (c1) The Secretary shall develop a program to permit owners of property containing a
12 pre-1983 landfill to undertake site assessment and risk-based remediation and development of a
13 remedial action plan without regard to the priority of the landfill established under subsection
14 (c) of this section if the owner complies with all of the following requirements:

15 (1) Assessment and remediation activities at the site (i) evaluate and address all
16 on-site and off-site risks and (ii) are conducted under work plans that are
17 timely reviewed and approved by the Department.

18 (2) The property owner provides financial assurance for any future impacts. The
19 Department shall set the financial assurance requirement in a reasonable
20 manner based on the information on current site conditions and historical
21 disposal records or other information provided by the property owner.

22 (3) In cases where the property owner is not a potentially responsible party, the
23 property owner signs an assumption of liability agreement agreeing to accept
24 all liability for potential on-site and off-site impacts caused by the pre-1983
25 landfill. Property owners assuming liability under this section shall retain the
26 cost recovery liability protections provided by subsection (d) of this section
27 if they comply with all requirements of this subsection.

28"

29 **SECTION 13.4.(b)** The Department may issue temporary and permanent rules to
30 implement this section.

31 **SECTION 13.4.(c)** The Department shall provide an interim report on its
32 implementation of this section no later than April 1, 2018, and recurring updates on February 1
33 of each subsequent year until the Department has issued either a final guidance document or
34 final rules implementing this section. The reports shall be submitted to the Joint Legislative
35 Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the
36 House of Representatives Appropriations Committee on Agriculture and Natural and Economic
37 Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and
38 Economic Resources, and the Fiscal Research Division.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DEQ-H7(S13.5)-P

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

1 ***STUDY SOLID WASTE DISPOSAL TAX***

2 **SECTION 13.5.** The Environmental Review Commission shall study North
3 Carolina's solid waste disposal tax imposed under Article 5G of Chapter 105 of the General
4 Statutes. In conducting this study, the Commission shall examine (i) a detailed history of the
5 annual revenue generated from the tax and its distribution over time to the Department of
6 Environmental Quality and local governments; (ii) a detailed history of expenditures by the
7 Department of Environmental Quality and by local governments of tax proceeds received to
8 date, including to whom and for what purposes the expenditures were made; (iii) all work
9 completed by the Department of Environmental Quality using proceeds of the tax, including
10 detailed information on the location of sites at which work was performed and a summary of
11 the status of the sites; (iv) plans for future work to be conducted by the Department of
12 Environmental Quality using proceeds of the tax, including detailed information on sites to be
13 addressed and proposed schedules for work; (v) the current balance of the Inactive Hazardous
14 Sites Cleanup Fund; and (vi) any other issue the Commission deems relevant. The
15 Environmental Review Commission shall report its findings and recommendations, including
16 any legislative proposals, to the 2018 Regular Session of the 2017 General Assembly upon its
17 convening.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Drafting
SPECIAL PROVISION



2017-DEQ-H8(S13.6)i

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

1 ***STUDY EROSION AND SEDIMENT CONTROL/NPDES STORMWATER MERGER***

2 **SECTION 13.6.** The Department of Environmental Quality shall study the
3 abolishment of the Sedimentation Control Commission and transfer of duties to the
4 Environmental Management Commission and a subsequent combination of the Sedimentation
5 and Erosion Control permitting program with the Department's NPDES Stormwater permitting
6 program. In its report, the Department shall set forth the potential cost savings from abolishing
7 the Sedimentation Control Commission and the program merger, any positive or negative
8 impacts on ease of environmental permitting and permit processing and issuance times, and any
9 other impacts on each program and on the workload of the Environmental Management
10 Commission. The Department shall provide its report no later than April 1, 2018, to the Joint
11 Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the
12 chairs of the House of Representatives Appropriations Committee on Agriculture and Natural
13 and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture,
14 Natural, and Economic Resources, and the Fiscal Research Division.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Drafting
SPECIAL PROVISION



2017-DEQ-H22(S13.8)i

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

1 ***STUDY ACQUISITION OF DEDICATED DREDGING CAPACITY***

2 **SECTION 13.8.(a)** The Division of Water Resources of the Department of
3 Environmental Quality shall study the feasibility and cost-effectiveness of the acquisition by
4 the State of North Carolina of a hopper dredge. The study shall include all of the following:

- 5 (1) The capital and annual operating costs of the hopper dredge.
6 (2) The expected level of utilization of a State-owned hopper dredge and
7 opportunities for defraying operating expenses by the sale of dredging
8 services to other states, the federal government, and private parties.
9 (3) Options for minimizing costs and increasing cost-effectiveness, including an
10 evaluation of public-private partnerships and shared ownership arrangements
11 with neighboring states or the United States Army Corps of Engineers.

12 **SECTION 13.8.(b)** The Department shall provide its study and any
13 recommendations for fiscal or legislative actions no later than April 1, 2018, to the Joint
14 Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the
15 chairs of the House of Representatives Appropriations Committee on Agriculture and Natural
16 and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture,
17 Natural, and Economic Resources, and the Fiscal Research Division.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Drafting
SPECIAL PROVISION



2017-DEQ-H10(S13.10)i

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

1 ***WATER INFRASTRUCTURE STATE MATCH SURPLUS FUNDS***

2 **SECTION 13.10.** Notwithstanding G.S. 159G-22, funds appropriated in this act to
3 the Division of Water Infrastructure for the Clean Water State Revolving Fund and the
4 Drinking Water State Revolving Fund to provide State matching funds that are in excess of the
5 amount required to draw down the maximum amount of federal capitalization grant funds may
6 be used for State water and wastewater infrastructure grants awarded from the Wastewater
7 Reserve and the Drinking Water Reserve that benefit rural and economically distressed areas of
8 the State.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DEQ-H18(S13.11)-P

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

1 **COASTAL STORM DAMAGE MITIGATION FUND**

2 **SECTION 13.11.** Article 21 of Chapter 143 of the General Statutes is amended by
3 adding a new Part to read:

4 "Part 8D. Coastal Storm Damage Mitigation.

5 **"§ 143-215.73M. Coastal Storm Damage Mitigation Fund.**

6 (a) Fund Established. – The Coastal Storm Damage Mitigation Fund is established as a
7 special revenue fund. The Fund consists of General Fund appropriations, gifts, grants, devises,
8 monies contributed by a non-State entity for a particular beach nourishment or damage
9 mitigation project or group of projects, and any other revenues specifically allocated to the
10 Fund by an act of the General Assembly.

11 (b) Uses of the Fund. – Revenue credited to the Fund may only be used for costs
12 associated with beach nourishment, artificial dunes, and other projects to mitigate or remediate
13 coastal storm damage to the ocean beaches and dune systems of the State. The Fund shall not
14 be used for any project to construct, repair, or maintain a terminal groin or other permanent
15 erosion control structure. For purposes of this subsection, "erosion control structure" shall have
16 the definition set forth in G.S. 113A-115.1(a).

17 (c) Conditions on Funding. – Any project funded by revenue from the Fund shall be
18 cost shared with non-State dollars as follows:

19 (1) The cost share for projects located, in whole or part, in a development tier
20 one area, as defined in G.S. 143B-437.08, shall be at least one non-State
21 dollar for every three dollars from the Fund.

22 (2) The cost share for projects not located, in whole or part, in a development
23 tier one area shall be at least one non-State dollar for every two dollars from
24 the Fund.

25 (d) Return of Non-State Entity Funds. – Non-State entities that contribute to the Fund
26 for a particular project or group of projects may make a written request to the Secretary that the
27 contribution be returned if the contribution has not been spent or encumbered within two years
28 of receipt of the contribution by the Fund. If the written request is made prior to the funds being
29 spent or encumbered, the Secretary shall return the funds to the entity within 30 days after the
30 later of (i) receiving the request or (ii) the expiration of the two-year period described by this
31 subsection."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Drafting
SPECIAL PROVISION



2017-DEQ-H11(S13.12)i

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

1 ***OYSTER RESEARCH REPORTING***

2 **SECTION 13.12.** The Division of Marine Fisheries and the University of North
3 Carolina at Wilmington shall annually report no later than March 1 to the chairs of the Senate
4 and the House of Representatives appropriations committees with jurisdiction over natural and
5 economic resources and the Fiscal Research Division regarding the funding for oyster research
6 and restoration activities provided by this act. The report shall include details regarding the use
7 of the funds, including activities completed and additional personnel supported by the funds.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DEQ-H23(S13.13)-P

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

1 **CONTINUE RESEARCH SUPPORT FOR SHELLFISH INDUSTRY**

2 SECTION 13.13.(a) Section 14.11 of S.L. 2016-94 reads as rewritten:

3 **"PROMOTE SHELLFISH INDUSTRY**

4 ...

5 ~~"SECTION 14.11.(d) The Chief Sustainability Officer of the University of North Carolina~~
6 ~~at Chapel Hill-North Carolina Sea Grant at North Carolina State University (Sea Grant) shall~~
7 ~~convene a stakeholder working group to study and advance efforts to ecologically restore and~~
8 ~~achieve economic stability of the shellfish aquaculture industry, including (i) how best to spend~~
9 ~~financial resources to counter declining native oyster populations and shellfish habitats; (ii) the~~
10 ~~use of nonnative-appropriate oyster species to accomplish oyster restoration; (iii) means of~~
11 ~~combating oyster disease and managing harvesting practices to balance the needs of the~~
12 ~~industry and promote long-term viability and health of oyster habitat and substrate; (iv)~~
13 ~~economic aquaculture economically and scientifically sound mariculture methods to improve~~
14 ~~oyster stock and populations; (v) long-term, dedicated options for funding sources and water~~
15 ~~quality improvements; (vi) means to increase oyster production for both population growth and~~
16 ~~harvest; harvest, including the use of triploid oyster species; (vii) options that expand the use of~~
17 ~~private shellfish hatchery capacity in the State; (viii) options for promoting the use of cultch~~
18 ~~planting to enhance and increase oyster habitat and population; (ix) other resources that might~~
19 ~~be leveraged to enhance reform efforts; and (x) any other issue the Institute-Sea Grant deems~~
20 ~~relevant.~~

21 ~~"SECTION 14.11.(e) In the conduct of the study required by subsection (d) of this section,~~
22 ~~the Officer-Sea Grant shall convene and consult with a stakeholders group that includes~~
23 ~~representatives of the commercial and recreational oyster harvesting industries, the North~~
24 ~~Carolina Division of Marine Fisheries, the Marine Fisheries Commission, nature conservation~~
25 ~~entities, and experts in the fields of marine biology and marine ecology may consist of~~
26 ~~representatives from appropriate State and federal agencies; academic institutions;~~
27 ~~nongovernmental organizations; representatives of any industry working in, or benefitting~~
28 ~~from, shellfish mariculture; and any other individuals or groups deemed by Sea Grant as being~~
29 ~~relevant to the overall success of the study. Nothing in this subsection is intended to require a~~
30 ~~particular process or level of procedural formality for the stakeholders group.~~

31"

32 **SECTION 13.13.(b)** In addition to the study required by Subsection 14.11(d) of
33 S.L. 2016-94, North Carolina Sea Grant at North Carolina State University (Sea Grant) shall
34 also prepare and deliver a Shellfish Mariculture Plan by December 31, 2018. All State entities
35 shall provide all information, resources, and support deemed relevant by Sea Grant for the
36 creation of the Shellfish Mariculture Plan. The plan shall be submitted to the Joint Legislative
37 Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the
38 House of Representatives Appropriations Committee on Agriculture and Natural and Economic
39 Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and
40 Economic Resources, and the Fiscal Research Division and shall include the following:

41 (1) A summary of available and relevant information on shellfish mariculture.

- 1 (2) An analysis of existing programs, policies, rules, and laws that govern or
2 affect shellfish mariculture operations within the State, including an
3 examination of workforce training and marketing programs that could
4 facilitate the growth of shellfish mariculture within the State.
- 5 (3) A summary of shellfish mariculture plans from other states and countries,
6 including a comparison of how these entities (i) promote and manage
7 shellfish mariculture, (ii) reduce barriers to entry for potential participants in
8 shellfish mariculture, and (iii) offer incentives to encourage entry into
9 shellfish mariculture.
- 10 (4) Analysis of siting strategies that reduce potential user conflicts impeding the
11 siting of shellfish mariculture operations and that protect riparian property
12 owners and the public trust uses of estuarine waters for navigation, fishing,
13 and recreation.
- 14 (5) Evaluation and consideration of enforcement mechanisms necessary to
15 protect shellfish mariculture operations from theft and degradation and to
16 ensure that shellfish mariculture operations make productive and fair use of
17 public trust coastal waters dedicated to these operations.
- 18 (6) Opportunities for local traditional fishermen to effectively compete for
19 shellfish mariculture sites in public waters and participate in enterprises in or
20 near their own communities.
- 21 (7) Examination of environmental policies that protect or enhance shellfish
22 mariculture operations.
- 23 (8) Consideration of the most appropriate substrate for cultch planting, with
24 consideration of regional differences in bottom conditions within the State
25 that may require different substrates to maximize shellfish sustainability.
- 26 (9) Strategies to mitigate or eliminate shellfish pests such as DMX, Dermo, and
27 boring sponges.
- 28 (10) Any other issues deemed relevant by Sea Grant to grow and support shellfish
29 mariculture within the State.

30 **SECTION 13.13.(c)** North Carolina State University shall not charge indirect
31 facilities and administrative costs against the funding for the studies required by this section.

32 **SECTION 13.13.(d)** North Carolina Sea Grant at North Carolina State University
33 (Sea Grant), in consultation with the Economic Development Partnership of North Carolina, the
34 Department of Commerce, the Department of Natural and Cultural Resources, and any other
35 stakeholders Sea Grant deems relevant, including the North Carolina Tourism Advisory Board,
36 the North Carolina Restaurant and Lodging Association, the North Carolina Shellfish Growers
37 Association, and the North Carolina Fisheries Association, shall develop conceptual plans and
38 recommendations for economic development related to promotion of the State's shellfish
39 harvesting heritage. The plans and recommendations shall include the creation of a North
40 Carolina Oyster Trail and a North Carolina Oyster Festival. Plan development shall be
41 congruent with the ongoing work of Sea Grant and its stakeholder group as described in
42 subsection (a) of this section and shall include recommendations of locations, oversight,
43 governmental support, cost, and timing of when such initiatives should be launched in the
44 future, in addition to any other information deemed relevant for inclusion. Sea Grant's
45 recommendations shall be provided no later than March 1, 2018, to the Joint Legislative
46 Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the
47 House of Representatives Appropriations Committee on Agriculture and Natural and Economic
48 Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and
49 Economic Resources, and the Fiscal Research Division. This study, as it may be subsequently
50 amended after submission, shall be included as an appendix to the Shellfish Mariculture Plan
51 required by subsection (b) of this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Drafting
SPECIAL PROVISION



2017-DEQ-H12(S13.14)i

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

1 ***MARINE PATROL/SHELLFISH SANITATION EQUIPMENT SALES***

2 **SECTION 13.14.(a)** The Division of Marine Fisheries of the Department of
3 Environmental Quality may sell the following equipment and vessels from its fleet in order to
4 modernize the fleet:

- 5 (1) 1991 Lull telehandler.
- 6 (2) 1984 LRT-100 crane.
- 7 (3) 1999 Hudson Brothers lowboy trailer.
- 8 (4) 1970s-era 135' M/V West Bay vessel.

9 Notwithstanding G.S. 143C-6-4 or any other provision of law, the Division may
10 spend funds received from the sales authorized by this subsection for future equipment
11 acquisitions to support the Shellfish Rehabilitation and Habitat Enhancement Programs. The
12 sales proceeds are appropriated for that purpose and shall be incorporated into the authorized
13 budget of the Division.

14 **SECTION 13.14.(b)** The Division shall report to the Fiscal Research Division and
15 the Joint Legislative Oversight Committee on Agriculture and Natural and Economic
16 Resources on the proceeds of the sales authorized by this section and the Division's plan for use
17 of the proceeds.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DEQ-H13(S13.15)-P

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

1 *ASSENT TO PROVISIONS OF CERTAIN FEDERAL FISHERIES ACTS*

2 SECTION 13.15.(a) The title of Article 23 of Chapter 113 of the General Statutes
3 reads as rewritten:

4 "Article 23.

5 "Administrative Provisions; ~~Regulatory Authority of Wildlife Resources Commission.~~ Assent to
6 Certain Federal Acts."

7 SECTION 13.15.(b) G.S. 113-307.1 reads as rewritten:

8 "§ 113-307.1. Legislative assent to specific federal acts.

9 ...

10 (b) The State of North Carolina hereby assents to the provisions of the act of Congress
11 entitled "An act to provide that the United States shall aid the states in wildlife restoration
12 projects, and for other purposes," approved September 2, 1937 (Public Law 415, 75th
13 ~~Congress~~), ~~Congress~~, also known as the "Pittman-Robertson Act"), 16 U.S.C. § 669, et seq., as
14 amended, and the Wildlife Resources Commission ~~is~~ and the Division of Marine Fisheries of
15 the Department of Environmental Quality are hereby authorized, empowered, and directed to
16 perform such acts as may be necessary to the conduct and establishment of cooperative wildlife
17 restoration projects, as defined in said act of Congress, the Pittman-Robertson Act, in
18 compliance with said act the Act and rules and regulations promulgated by the Secretary of the
19 Interior thereunder; and no under the Act. No funds accruing to the State of North Carolina
20 from license fees paid by hunters shall be diverted for any other purpose than the protection and
21 propagation of game and wildlife in North Carolina and administration of the laws enacted for
22 such purposes, which laws are and shall be administered by the Wildlife Resources
23 Commission. No funds accruing to the State of North Carolina from license fees paid by
24 fishermen for license programs administered by the Division of Marine Fisheries shall be
25 diverted for any other purpose than the administration by the Division of Marine Fisheries of
26 the Department of Environmental Quality of the portion of the State's fish programs applicable
27 to the marine and estuarine resources over which the Division has authority under State law.
28 Revenues collected from coastal recreational fishing licenses in accordance with the provisions
29 of G.S. 113-175.1(c) and G.S. 113-175.5(c) shall be used solely for the administration of the
30 Division of Marine Fisheries and for program functions described by this subsection.

31 (c) Assent is hereby given to the provisions of the act of Congress entitled "An act to
32 provide that the United States shall aid the states in fish restoration and management projects,
33 and for other purposes," approved August 9, 1950 (Public Law 681, 81st ~~Congress~~), ~~and~~
34 Congress, also known as the "Dingell-Johnson Sport Fish Restoration Act"), 16 U.S.C. § 777,
35 et seq., as amended, the Wildlife Resources Commission is Commission and the Division of
36 Marine Fisheries of the Department of Environmental Quality are hereby authorized,
37 empowered, and directed to perform such acts as may be necessary to the conduct and
38 establishment of cooperative fish restoration projects, as defined in said act of Congress, the
39 Dingell-Johnson Sport Fish Restoration Act, in compliance with said act the Act and rules and
40 regulations promulgated by the Secretary of the Interior thereunder; under the Act; and no

1 funds accruing to the State of North Carolina from license fees paid by fishermen shall be
2 directed for any other purpose than the following:

3 (1) The administration of the Wildlife Resources Commission and for the
4 protection, propagation, preservation, and investigation of fish and wildlife.

5 (2) The administration by the Division of Marine Fisheries of the Department of
6 Environmental Quality of the portion of the State's fish programs applicable
7 to the marine and estuarine resources over which the Division has authority
8 under State law. Revenues collected from coastal recreational fishing
9 licenses in accordance with the provisions of G.S. 113-175.1(c) and
10 G.S. 113-175.5(c) shall be used solely for the administration of the Division
11 of Marine Fisheries and for program functions described by this subdivision.

12"

13 **SECTION 13.15.(c)** G.S. 113-175.1 reads as rewritten:

14 "**§ 113-175.1. North Carolina Marine Resources Fund.**

15 ...

16 (b) The State Treasurer shall hold the Marine Resources Fund separate and apart from
17 all other moneys, funds, and accounts. The State Treasurer shall invest the assets of the Marine
18 Resources Fund in accordance with the provisions of G.S. 147-69.2 and G.S. 147-69.3, and all
19 marine resources investment income shall be deposited to the credit of the Marine Resources
20 Fund. The State Treasurer shall disburse the principal of the Marine Resources Fund and
21 marine resources investment income only upon the written direction of the ~~Marine Fisheries~~
22 ~~Commission~~Division of Marine Fisheries of the Department of Environmental Quality.

23 (c) ~~The Marine Fisheries Commission~~Division of Marine Fisheries of the Department
24 of Environmental Quality may authorize the disbursement of the principal of the Marine
25 Resources Fund and marine resources investment income only to manage, protect, restore,
26 develop, cultivate, conserve, and enhance the marine resources of the State. ~~The Marine~~
27 ~~Fisheries Commission is encouraged to consider supporting the Oyster Sanctuary Program~~
28 ~~managed by the Division of Marine Fisheries. The Marine Fisheries Commission~~The Division
29 of Marine Fisheries may not authorize the disbursement of the principal of the Marine
30 Resources Fund and marine resources investment income to establish positions without specific
31 authorization from the General Assembly. ~~All proposals to the Marine Fisheries Commission~~
32 ~~for the disbursement of funds from the Marine Resources Fund shall be made by and through~~
33 ~~the Fisheries Director. Prior to authorizing disbursements from the Marine Resources Fund, the~~
34 ~~Marine Fisheries Commission~~Division of Marine Fisheries shall consult with the Wildlife
35 Resources Commission about these proposals. Expenditure of the assets of the Marine
36 Resources Fund shall be made through the State budget accounts of the Division of Marine
37 Fisheries in accordance with the provisions of the Executive Budget Act. The Marine
38 Resources Fund is subject to the oversight of the State Auditor pursuant to Article 5A of
39 Chapter 147 of the General Statutes."

40 **SECTION 13.15.(d)** G.S. 113-175.5 reads as rewritten:

41 "**§ 113-175.5. North Carolina Marine Resources Endowment Fund.**

42 ...

43 (b) The State Treasurer shall hold the Endowment Fund separate and apart from all
44 other moneys, funds, and accounts. The State Treasurer shall invest the assets of the
45 Endowment Fund in accordance with the provisions of G.S. 147-69.2 and G.S. 147-69.3. The
46 State Treasurer shall disburse the endowment investment income only upon the written
47 direction of ~~both the Marine Fisheries Commission~~Division of Marine Fisheries of the
48 Department of Environmental Quality.

49 (c) Subject to the limitations set out in subsection (d) of this section, the ~~Marine~~
50 ~~Fisheries Commission~~Division of Marine Fisheries of the Department of Environmental
51 Quality may authorize the disbursement of endowment investment income only to manage,

1 protect, restore, develop, cultivate, conserve, and enhance the marine resources of the State.
2 The ~~Marine Fisheries Commission~~ Division of Marine Fisheries may not authorize the
3 disbursement of endowment investment income to establish positions without specific
4 authorization from the General Assembly. ~~All proposals to the Marine Fisheries Commission~~
5 ~~for the disbursement of funds from the Endowment Fund shall be made by and through the~~
6 ~~Fisheries Director.~~ Prior to authorizing disbursements from the Marine Resources Endowment
7 Fund, the ~~Marine Fisheries Commission~~ Division of Marine Fisheries shall consult with the
8 Wildlife Resources Commission about ~~these proposals.~~ funding requests.
9"

GENERAL ASSEMBLY OF NORTH CAROLINA

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Drafting
SPECIAL PROVISION



2017-DEQ-H24(S13.16)i

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

1 ***DMF ARTIFICIAL REEFS PROGRAM FUNDING CLARIFICATION***

2 **SECTION 13.16.** G.S. 113-175.1 is amended by adding a new subsection to read:

3 "(d) To enhance fishing opportunities, the Marine Resources Fund may be used to
4 construct artificial reefs in the estuarine and ocean waters of the State and federal waters up to
5 20 nautical miles from land."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DEQ-H25-P

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 ***CRAB POT CLEANUP PROGRAM***

2 **SECTION #.** Funds appropriated by this act to the Division of Marine Fisheries of
3 the Department of Environmental Quality to contract with the Coastal Federation for a crab pot
4 cleanup program are not subject to Article 3 of Chapter 143 of the General Statutes. The
5 Coastal Federation shall use these funds only for program expenses and not for any indirect
6 administrative or overhead costs. Funds not expended or encumbered by June 30, 2018, shall
7 revert.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DEQ-H17-P

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 ***UST PROGRAM RULE MAKING AND REPORT***

2 **SECTION #.(a)** The Environmental Management Commission shall adopt
3 temporary rules implementing Section 14.16B of S.L. 2015-241 no later than October 1, 2017.
4 Notwithstanding G.S. 150B-21.1(d), the temporary rules shall remain in effect until the
5 effective date of the permanent rule adopted to replace the temporary rule.

6 **SECTION #.(b)** The Commission shall report regarding the status of the rule
7 making required by this section and by Section 14.16B of S.L. 2015-241 to the chairs of the
8 Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources
9 and the Fiscal Research Division no later than December 31, 2017.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DEQ-H19-P

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 **MOTOR VEHICLE EMISSIONS INSPECTIONS**

2 **SECTION #.(a)** G.S. 143-215.107A(c), as amended by Section 3.5(a) of S.L.
3 2017-10, reads as rewritten:

4 "(c) Counties Covered. – Motor vehicle emissions inspections shall be performed in the
5 following counties: Alamance, Buncombe, Cabarrus, Cumberland, Davidson, Durham, Forsyth,
6 Franklin, Gaston, Guilford, Iredell, Johnston, Lee, Lincoln, Mecklenburg, New Hanover,
7 ~~Onslow, Randolph, Rockingham, Rowan, Union, and Wake.~~"

8 **SECTION #.(b)** The Department of Environmental Quality shall include the
9 change to the motor vehicle emissions testing program provided in subsection (a) of this section
10 in the amendment required to be prepared and submitted to the United States Environmental
11 Protection Agency under Section 3.5(c) of S.L. 2017-10.

12 **SECTION #.(c)** This section becomes effective on the later of the following dates
13 and applies to motor vehicles inspected, or due to be inspected, on or after that effective date:

14 (1) October 1, 2017.

15 (2) The first day of a month that is 60 days after the Secretary of the Department
16 of Environmental Quality certifies to the Revisor of Statutes that the United
17 States Environmental Protection Agency has approved an amendment to the
18 North Carolina State Implementation Plan submitted as required by Section
19 3.5(c) of S.L. 2017-10. The Secretary shall provide this notice along with the
20 effective date of this act on its Web site and by written or electronic notice to
21 emissions inspection mechanic license holders, emissions inspection station
22 licensees, and self-inspector licensees in the counties where motor vehicle
23 emissions inspection requirements are removed by this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DEQ-H20-P

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 ***MERCURY SWITCH PROGRAM EXTENSION***

2 **SECTION #.(a)** Section 9 of S.L. 2007-142, as amended by Section 14.1(a) of S.L.
3 2016-94, reads as rewritten:

4 "SECTION 9. Sections 1, 2, 6, 7, and 9 of this act become effective when this act becomes
5 law. Sections 3, 4, and 8 of this act become effective 1 July 2007. Section 5 of this act becomes
6 effective 1 July 2007 and applies to violations that occur on or after that date. The Department
7 shall submit the first annual report required by G.S. 130A-310.57, as enacted by Section 7 of
8 this act, on or before 1 October 2008. Effective June 30, ~~2017~~, 2021, Part 6 of Article 9 of
9 Chapter 130A of the General Statutes, as amended by this act, is repealed."

10 **SECTION #.(b)** Section 14.1(c) of S.L. 2016-94 reads as rewritten:

11 "SECTION 14.1.(c) Subsection (b) of this section becomes effective June 30, ~~2017~~, 2021.
12 Funds remaining in the Mercury Pollution Prevention Fund (Fund Code 24300-2119) on that
13 date shall be transferred to the Division of Waste Management (Fund Code 14300-1760)."

14 **SECTION #.(c)** This section becomes effective June 30, 2017.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DEQ-H26-P

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 **WATER AND SEWER INFRASTRUCTURE GRANTS**

2 **SECTION #.** From funds appropriated by this act to the Division of Water
3 Infrastructure of the Department of Environmental Quality for water and sewer infrastructure
4 grants for the 2017-2018 fiscal year, the sum of one million dollars (\$1,000,000) is allocated
5 for grants to grantees located in development tier one or tier two areas, as defined in
6 G.S. 143B-437.08, for any of the following:

- 7 (1) Construction, protection, or expansion of water intake structures located in
8 surface water impoundments. For purposes of this subdivision, protection of
9 water intake structures may include the stabilization or restoration of natural
10 stream functions upstream and downstream of the water intake.
11 (2) Repair or replacement of sewer lines, when the repair project is necessary to
12 protect or enhance (i) natural habitats or (ii) water quality.

13 Notwithstanding G.S. 159G-33 and G.S. 159G-34, no non-State match will be
14 required for grants allocated by this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DEQ-H2-P

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 ***LRC STUDY ON TRAFFICKING IN IVORY AND RHINOCEROS HORN***

2 **SECTION #.(a)** The Legislative Research Commission (LRC) shall study the
3 trafficking of ivory and rhinoceros horn in the State. As part of its study, the LRC shall do all
4 of the following:

- 5 (1) Identify ivory and rhinoceros horn products that have a substantial likelihood
6 of being imported, sold, offered for sale, purchased, bartered, or intended for
7 sale in the State.
8 (2) Examine actions other states have taken with regard to the trafficking of
9 ivory and rhinoceros horns.
10 (3) Determine prohibitions and enforcement mechanisms that may be
11 appropriate for the State, taking into account exceptions that may be
12 warranted.

13 **SECTION #.(b)** The LRC shall report its findings, together with any proposed
14 legislation, to the 2018 Regular Session of the 2017 General Assembly upon its convening.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DEQ-H21-P

Department of Environmental Quality
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 *IN SITU NUTRIENT MANAGEMENT STRATEGIES*

2 SECTION #. Section 14.13(e) of S.L. 2016-94 reads as rewritten:

3 "SECTION 14.13.(e) The Department of Environmental Quality shall study alternative
4 technologies for in situ approaches to nutrient management in Falls Lake and Jordan Lake. In
5 its study, the Department shall consider in situ treatments, including algaecide and
6 phosphorus-locking technologies, that have been certified by the United States Environmental
7 Protection Agency for use in drinking water sources. Of the funds appropriated in this act to the
8 Department of Environmental Quality, the sum of one million three hundred thousand dollars
9 (\$1,300,000) for the 2016-2017 fiscal year may be used to ~~implement~~ only for permitting and
10 implementation of a trial of these technologies. ~~If the Department decides to implement a trial,~~
11 ~~it shall enter into a contract for the trial by December 31, 2016.~~ The Department shall begin any
12 testing or sampling activities required to support permit applications for the trial by September
13 1, 2017. Any contract entered into under this subsection shall not be subject to Article 3 or
14 Article 8 of Chapter 143 of the General Statutes. The study shall determine whether these
15 treatments would provide improvements in water ~~quality and whether the improvements would~~
16 ~~be more cost effective than more conventional nutrient mitigation strategies.~~ quality. The
17 Department shall submit an interim report no later than ~~March 1, 2017,~~ September 1 of each
18 year the study and trial required by this section are ongoing and a final report no later than
19 ~~March 1, 2018,~~ December 31, 2020, to the Environmental Review Commission, the Joint
20 Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the
21 Fiscal Research Division. If the Department finds these strategies to be effective, it shall
22 incorporate them into the Nutrient Strategies readoption required by subsection (d) of this
23 section. Funds allocated by this subsection shall remain available until the conclusion of the
24 study, and any funds unused at that time shall revert to the General Fund."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Drafting
SPECIAL PROVISION



2017-WRC-H1(S13A.1)i

Wildlife Resources Commission
House Appropriations, Agriculture and Natural and Economic Resources

1 ***MATTAMUSKEET LODGE REPAIRS***

2 **SECTION 13A.1.** From funds available to it, the Wildlife Resources Commission
3 shall repair the roof and stabilize the tower at the Mattamuskeet Lodge in Hyde County. The
4 Commission shall complete the repairs required by this section no later than June 30, 2018.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-WRC-H2-P

Wildlife Resources Commission
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 **WILDLIFE ENDOWMENT FUND CHANGES**

2 **SECTION #.(a)** G.S. 143-250.1(f1) reads as rewritten:

3 "(f1) At all times during which the cash balance in the Wildlife Endowment Fund is equal
4 to or greater than the sum of one hundred million dollars (\$100,000,000), the Wildlife
5 Resources Commission shall budget at least ~~fifty percent (50%)~~ twenty-five percent (25%) of
6 the annual expendable interest from the Fund, as determined by the Board of Trustees of the
7 Fund, to implement the conservation goals set forth in the Wildlife Resource Commission's
8 strategic plan."

9 **SECTION #.(b)** G.S. 147-69.2(a) is amended by adding a new subdivision to read:

10 "(17k) The Wildlife Endowment Fund."

11 **SECTION #.(c)** G.S. 147-69.2(d) reads as rewritten:

12 "(d) The State Treasurer may invest funds deposited pursuant to ~~subdivisions (a)(17i) or~~
13 ~~(a)(17j)~~ subdivisions (17i), (17j), and (17k) of subsection (a) of this section in any of the
14 investments authorized under subdivisions (1) through (6) and subdivision (8) of subsection (b)
15 of this section. The State Treasurer may require a minimum deposit, up to one hundred
16 thousand dollars (\$100,000), and may assess a reasonable fee, not to exceed 15 basis points, as
17 a condition of participation pursuant to this subsection. Fees assessed by the State Treasurer
18 may be used to defray the costs of administering the funds and expenditures authorized under
19 this section. Funds deposited pursuant to this subsection shall remain the funds of the North
20 Carolina Conservation Easement Endowment ~~Fund or Fund,~~ the Conservation Grant Fund, or
21 the Wildlife Endowment Fund, as applicable, and interest or other investment income earned
22 thereon shall be prorated and credited to the North Carolina Conservation Easement
23 Endowment ~~Fund or Fund,~~ the Conservation Grant Fund or Fund, or the Wildlife Endowment
24 Fund on the basis of the amounts contributed to the respective Funds, figured according to
25 sound accounting principles."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Drafting
SPECIAL PROVISION



2017-DNCR-H13(S14.2)i

Department of Natural and Cultural Resources
House Appropriations, Agriculture and Natural and Economic Resources

1 ***MILITARY BUFFERS***

2 **SECTION 14.2.** The funds appropriated in this act to the Clean Water
3 Management Trust Fund and the North Carolina Agricultural Development and Farmland
4 Preservation Trust Fund for the purpose of military buffers shall only be expended on land that
5 buffers a military facility from incompatible use encroachment.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DNCR-H1(S14.3)-P

Department of Natural and Cultural Resources
House Appropriations, Agriculture and Natural and Economic Resources

1 **CLARIFYING CHANGES TO DEPARTMENT OF NATURAL AND CULTURAL**
2 **RESOURCES FUNDS**

3 **SECTION 14.3.(a)** G.S. 121-5(e) reads as rewritten:

4 "(e) Archives and Records Management Fund. The Archives and Records Management
5 Fund is established as a special revenue fund. The Fund consists of donations, gifts, devises,
6 and the fees credited to it under Chapter 161 of the General Statutes. Revenue in the Fund may
7 be used only to offset the Department's costs in providing essential records management and
8 archival services for public records pursuant to Chapter 121 and Chapter 132 of the General
9 Statutes."

10 **SECTION 14.3.(b)** G.S. 121-7.6(a) reads as rewritten:

11 "(a) Fund Established. – The North Carolina Transportation Museum Fund is created as
12 a special ~~interest-bearing,~~ interest-bearing, nonreverting enterprise fund in the Department of
13 Natural and Cultural Resources. The Fund shall be used to pay all costs associated with the
14 ~~operation~~ operation, interpretation, development, expansion, preservation, and maintenance of
15 the North Carolina Transportation Museum."

16 **SECTION 14.3.(c)** G.S. 121-7.7(a) reads as rewritten:

17 "(a) Fund. – The State Historic Sites and Museums Fund is created as a special,
18 interest-bearing revenue fund in the Division of State Historic Sites and the Division of State
19 History Museums. The Fund consists of all receipts derived from the lease or rental of property
20 or facilities, disposition of structures or products of the land, ~~private donations,~~ donations, gifts,
21 devises, and admissions and fees collected at the State Historic Sites, State History Museums,
22 and Maritime Museums. The revenues in the Fund may be used only for the operation,
23 interpretation, maintenance, preservation, development, and expansion of the individual State
24 Historic Site, State History Museum, and Maritime Museum where the receipts are generated.
25 The respective Division and the staff from each State Historic Site, State History Museum, and
26 Maritime Museum ~~will~~ shall determine how the funds ~~will~~ shall be used at that Historic Site,
27 State History Museum, and Maritime Museum."

28 **SECTION 14.3.(d)** G.S. 143B-53.3(a) reads as rewritten:

29 "(a) Fund. – The Queen Anne's Revenge Project Special Fund is created as a special,
30 interest-bearing revenue fund within the Department of Natural and Cultural Resources, Office
31 of Archives and History. The Fund shall consist of all receipts derived from ~~private donations,~~
32 ~~grant funds,~~ donations, gifts, devises, and earned revenue. The monies in the Fund may be used
33 only for contracted services, personal services and operations, conference and meeting
34 expenses, travel, staff salaries, operations for laboratory needs, museum exhibits, and other
35 administrative costs related to the Queen Anne's Revenge Project. The staff of the Office of
36 Archives and History and the Department of Natural and Cultural Resources shall determine
37 how the funds ~~will~~ shall be used for the purposes of the Queen Anne's Revenge Project, and
38 those funds are hereby appropriated for those purposes."

39 **SECTION 14.3.(e)** G.S. 143B-79(7) reads as rewritten:

40 "(7) The Committee may dispose of property held in the Executive Mansion after
41 consultation with a review committee comprised of one person from the

1 Executive Mansion Fine Arts Committee, appointed by its chairman; one
2 person from the Department of Administration appointed by the Secretary of
3 Administration; and two qualified professionals from the Department of
4 Natural and Cultural Resources, Division of Archives and History, appointed
5 by the Secretary of Natural and Cultural Resources. Upon request of the
6 Executive Mansion Fine Arts Committee, the review committee ~~will~~shall
7 view proposed items for disposition and shall make a recommendation to the
8 North Carolina Historical Commission who ~~will~~shall make a final decision.
9 The Historical Commission ~~must~~shall consider whether the disposition is in
10 the best interest of the State of North Carolina. If any property is sold, the
11 net proceeds of each sale and any interest earned thereon shall be deposited
12 in the State Treasury to the credit of the Executive Mansion, Special Fund,
13 and shall be used only for the purchase, conservation, ~~restoration~~restoration,
14 or repair of other property for use in the Executive Mansion."

15 **SECTION 14.3.(f)** G.S. 143B-87.2(a) reads as rewritten:

16 "(a) Fund. – The A+ Schools Special Fund is created as a special interest-bearing
17 revenue fund in the Department of Natural and Cultural Resources, North Carolina Arts
18 Council. The Fund shall consist of all receipts derived from ~~private donations, grant funds,~~
19 donations, gifts, devises, and earned revenue. The revenue in the Fund may be used only for
20 contracted services, conference and meeting expenses, travel, staff salaries, and other
21 administrative costs related to the A+ Schools program. The staff of the North Carolina Arts
22 Council and the Department shall determine how the funds ~~will~~shall be used for the purposes
23 of the A+ Schools program."

24 **SECTION 14.3.(g)** G.S. 143B-135.56(a) reads as rewritten:

25 "(a) Fund Created. – There is established a Parks and Recreation Trust Fund in the State
26 Treasurer's Office. The Trust Fund shall be a special revenue fund consisting of ~~gifts and grants~~
27 donations, gifts, and devises to the Trust Fund and other monies appropriated to the Trust Fund
28 by the General Assembly."

29 **SECTION 14.3.(h)** G.S. 143B-135.188 reads as rewritten:

30 **"§ 143B-135.188. North Carolina Aquariums; fees; fund.**

31 ...

32 (b) Fund. – The North Carolina Aquariums Fund is hereby created as a special fund.
33 The North Carolina Aquariums Fund shall be used for the following purposes with respect to
34 the aquariums and the pier operated by the Division of North Carolina Aquariums:

- 35 (1) Repair, renovation, expansion, maintenance, and educational exhibit
36 construction. Funds used for repair, renovation, and expansion projects may
37 be transferred to a capital projects fund to account for use of the funds for
38 each project.

39 ...

40 (c) Disposition of Receipts. – All receipts derived from the collection of admissions
41 charges and other fees and the lease or rental of property or facilities shall be credited to the
42 aquariums' General Fund operating budget. At the end of each fiscal year, the Secretary may
43 transfer from the North Carolina aquariums' General Fund operating budget to the North
44 Carolina Aquariums Fund an amount not to exceed the sum of the following:

45 ...

- 46 (3) Any ~~private donations,~~ donations, gifts, and devises received by the North
47 Carolina aquariums.

48"

49 **SECTION 14.3.(i)** G.S. 143B-135.209 reads as rewritten:

50 **"§ 143B-135.209. North Carolina Zoo Fund.**

1 (a) Fund. – The North Carolina Zoo Fund is created as a special fund. The North
2 Carolina Zoo Fund shall be used for the following types of projects at the North Carolina
3 Zoological Park and to match private funds raised for these types of projects:

4 (1) Repair, renovation, expansion, maintenance, and educational exhibit
5 construction. Funds used for repair, renovation, and expansion projects may
6 be transferred to a capital projects fund to account for use of the funds for
7 each project.

8 ...

9 (b) Disposition of Receipts. – All receipts derived from the collection of admissions
10 charges and other ~~fees and fees~~, the lease or rental of property or facilities, and the disposition
11 of products of the land or structures shall be credited to the North Carolina Zoological Park's
12 General Fund operating budget. At the end of each fiscal year, the Secretary may transfer from
13 the North Carolina Zoological Park's General Fund operating budget to the North Carolina Zoo
14 Fund an amount not to exceed the sum of one million five hundred thousand dollars
15 (\$1,500,000) and any ~~private donations, donations, gifts, and devises~~ received by the North
16 Carolina Zoological Park.

17"

18 **SECTION 14.3.(j)** G.S. 143B-135.213 is amended by adding a new subsection to
19 read:

20 "(c) Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4),
21 or any other law pertaining to surplus State property, the Council may dispose of any exhibit,
22 exhibit component, or object from the collections of the North Carolina Zoological Park by
23 sale, lease, or trade. A sale, lease, or trade under this subsection shall be conducted in
24 accordance with generally accepted practices for zoos and aquariums that are accredited by the
25 American Association of Zoos and Aquariums. After deducting the expenses attributable to the
26 sale or lease, the net proceeds of any sale or lease shall be credited to the North Carolina Zoo
27 Fund."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Drafting
SPECIAL PROVISION



2017-DNCR-H3(S14.5)i

Department of Natural and Cultural Resources
House Appropriations, Agriculture and Natural and Economic Resources

1 **PROMOTE ACCESS TO AND EXCHANGE OF LIBRARY MATERIALS**

2 **SECTION 14.5.** G.S. 125-2 reads as rewritten:

3 **"§ 125-2. Powers and duties of Department of Natural and Cultural Resources.**

4 The Department of Natural and Cultural Resources shall have the following powers and
5 duties:

- 6 ...
- 7 (10) ~~To plan and coordinate cooperative programs between the various types of~~
8 ~~libraries within the State of North Carolina, and to coordinate State~~
9 ~~development with regional and national cooperative library programs; and to~~
10 ~~assist nonprofit corporations in organization and operation for the purposes~~
11 ~~of cooperative programs.~~ do the following:
- 12 a. Plan and coordinate cooperative programs between the various types
13 of libraries within the State of North Carolina.
- 14 b. Coordinate State development with regional and national cooperative
15 library programs.
- 16 c. Assist nonprofit corporations in the organization and operation of
17 cooperative programs.
- 18 d. Enter into contracts to coordinate cooperative programs or to
19 promote the access and exchange of library materials under this
20 subdivision."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Drafting
SPECIAL PROVISION



2017-DNCR-H4(S14.6)i

Department of Natural and Cultural Resources
House Appropriations, Agriculture and Natural and Economic Resources

1 ***EXEMPTION FOR FOOD AND VENDING FACILITIES AT NORTH CAROLINA ZOO***

2 **SECTION 14.6.(a)** Article 3 of Chapter 111 of the General Statutes is amended by
3 adding a new section to read:

4 "**§ 111-47.4. Food service at North Carolina Zoological Park.**

5 Notwithstanding any other provision of this Article, the North Carolina Zoological Park
6 may operate or contract for the operation of food or vending services at the North Carolina
7 Zoological Park. Notwithstanding G.S. 111-43, the net proceeds of revenue generated by food
8 and vending services operated by the North Carolina Zoological Park or a vendor with whom
9 the North Carolina Zoological Park has contracted shall be credited to the North Carolina Zoo
10 Fund."

11 **SECTION 14.6.(b)** This section becomes effective July 1, 2017, and applies to any
12 contract for food or vending services at the North Carolina Zoological Park entered into on or
13 after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Drafting
SPECIAL PROVISION



2017-DNCR-H9(S14.7)i

Department of Natural and Cultural Resources
House Appropriations, Agriculture and Natural and Economic Resources

1 ***CORRECT DNCR SALARY AND BENEFIT BASE BUDGET EXPENDITURES***

2 **SECTION 14.7.** Notwithstanding G.S. 143C-6-4, the Office of State Budget and
3 Management, after coordination with the Department of Natural and Cultural Resources and
4 the Fiscal Research Division, shall adjust personal services line items, as appropriate, within
5 the Division of Parks and Recreation, the North Carolina Aquariums, and the North Carolina
6 Zoological Park within the Department of Natural and Cultural Resources to correct errors in
7 the base budget. The line item adjustments shall be corrected as part of the 2017-2019 biennial
8 budget certification process. The Department shall make corresponding adjustments in the
9 BEACON system to reflect the updated source of funds as necessary.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-DNCR-H6-P

Department of Natural and Cultural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 **SCIENCE MUSEUM FUNDING**

2 **SECTION #.** G.S. 143B-135.227(b1) reads as rewritten:

3 "(b1) Tier-Based Funding Preferences. – The Museum of Natural Sciences shall reserve
4 seven hundred fifty thousand dollars (\$750,000) for the purpose of awarding grants to museums
5 located in development tier one counties and six hundred thousand dollars (\$600,000) for
6 museums located in development tier two counties. The development tier designation of a
7 county shall be determined as provided in G.S. 143B-437.08. If, after the initial awarding of
8 grants to all museum applicants who meet the eligibility criteria provided for in subsection (d)
9 of this section, there are funds remaining in any development tier category, the Museum of
10 Natural Sciences may reallocate those funds to another development tier category. The
11 maximum amount of each grant awarded in any fiscal year shall be (i) seventy-five thousand
12 dollars (\$75,000) for a museum in a development tier one county; (ii) sixty thousand dollars
13 (\$60,000) for a museum in a development tier two county; and (iii) fifty thousand dollars
14 (\$50,000) for a museum in a development tier three county. For purposes of this subsection, a
15 museum located in a rural census tract, as defined in G.S. 143B-472.127(a)(2), in a
16 development tier two or development tier three county shall be subject to the maximum grant
17 amount for a development tier one county."

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2017-DNCR-H10-P

Department of Natural and Cultural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 ***YOUTH CONSERVATION CORPS***

2 **SECTION #.** Article 3 of Chapter 143 of the General Statutes is amended by
3 adding a new section to read:

4 "**§ 143-58.7. Contracts with Youth Conservation Corps.**

5 State departments, institutions, and agencies may contract with the North Carolina Youth
6 Conservation Corps to perform trail construction and maintenance, invasive species removal,
7 and other conservation projects in State parks, State forests, and other State-owned facilities
8 where the projects provide direct public benefits to the citizens of the State and offer youth and
9 young adults of the State a structured program that connects them to natural resources and
10 teaches job skills, leadership, community service, and personal responsibility."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

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SPECIAL PROVISION



2017-DNCR-H12-P

Department of Natural and Cultural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 ***MAYO RIVER STATE PARK ACCESS***

2 **SECTION #.** Two hundred fifty thousand dollars (\$250,000) of the nonrecurring
3 funds available to the Parks and Recreation Trust Fund for the 2017-2018 fiscal year shall be
4 held in a reserve at the Office of State Budget and Management to provide matching funds in
5 the ratio of one State dollar for each dollar available from non-State sources for construction of
6 an access bridge from real property owned by the State of North Carolina over the Mayo River
7 for the purpose of addressing public safety issues and service vehicle access to monitor,
8 maintain, repair, or replace the existing sewer line traversing portions of Mayo River State
9 Park.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2017-DNCR-H7-P

Department of Natural and Cultural Resources
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 ***CWMTF/PARTF FUNDS***

2 **SECTION #.** Five hundred forty-five thousand dollars (\$545,000) of the
3 nonrecurring funds available to the Clean Water Management Trust Fund for the 2017-2018
4 fiscal year and five hundred thousand dollars (\$500,000) of the nonrecurring funds available to
5 the Parks and Recreation Trust Fund for the 2017-2018 fiscal year shall be held in a reserve at
6 the Office of State Budget and Management to provide matching funds for a Readiness and
7 Environmental Protection Integration grant to purchase the Archers Creek tract on Bogue
8 Banks in Carteret County. Funds allocated by this section but not encumbered at the end of the
9 2017-2018 fiscal year shall revert to the respective funds.

GENERAL ASSEMBLY OF NORTH CAROLINA

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Drafting
SPECIAL PROVISION



2017-COMM-H1(S15.1)i

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

NER BLOCK GRANTS FOR 2018 AND 2019 PROGRAM YEARS/USE OF DEOBLIGATED FUNDS

SECTION 15.1.(a) Appropriations from federal block grant funds are made for the fiscal years ending June 30, 2018, and June 30, 2019, according to the following schedule:

COMMUNITY DEVELOPMENT BLOCK GRANT

01. State Administration	\$ 1,037,500
02. Neighborhood Revitalization	10,000,000
03. Economic Development	10,737,500
04. Infrastructure	21,725,000

TOTAL COMMUNITY DEVELOPMENT BLOCK GRANT – 2018 Program Year	\$ 43,500,000
2019 Program Year	\$ 43,500,000

SECTION 15.1.(b) If federal funds are reduced below the amounts specified in this section after the effective date of this act, then every program in each of these federal block grants shall be reduced by the same percentage as the reduction in federal funds.

SECTION 15.1.(c) Any block grant funds appropriated by the Congress of the United States in addition to the funds specified in this section shall be expended as follows: each program category under the Community Development Block Grant shall be increased by the same percentage as the increase in federal funds.

SECTION 15.1.(d) Of the funds appropriated in this section for the Community Development Block Grant, the following shall be allocated in each category for each program year: up to one million thirty-seven thousand five hundred dollars (\$1,037,500) may be used for State Administration; up to ten million dollars (\$10,000,000) may be used for Neighborhood Revitalization; up to ten million seven hundred thirty-seven thousand five hundred dollars (\$10,737,500) may be used for Economic Development; and up to twenty-one million seven hundred twenty-five thousand dollars (\$21,725,000) may be used for infrastructure. If federal block grant funds are reduced or increased by the Congress of the United States after the effective date of this act, then these reductions or increases shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.

SECTION 15.1.(e) The Department of Commerce shall consult with the Joint Legislative Commission on Governmental Operations prior to reallocating Community Development Block Grant Funds. Notwithstanding the provisions of this subsection, whenever the Director of the Budget finds that:

1 (1) A reallocation is required because of an emergency that poses an imminent
2 threat to public health or public safety, the Director of the Budget may
3 authorize the reallocation without consulting the Commission. The
4 Department of Commerce shall report to the Commission on the reallocation
5 no later than 30 days after it was authorized and shall identify in the report
6 the emergency, the type of action taken, and how it was related to the
7 emergency.

8 (2) The State will lose federal block grant funds or receive less federal block
9 grant funds in the next fiscal year unless a reallocation is made. The
10 Department of Commerce shall provide a written report to the Commission
11 on the proposed reallocation and shall identify the reason that failure to take
12 action will result in the loss of federal funds. If the Commission does not
13 hear the issue within 30 days of receipt of the report, the Department may
14 take the action without consulting the Commission.

15 **SECTION 15.1.(f)** By September 1, 2017, and September 1, 2018, the Department
16 of Commerce shall report to the chairs of the House of Representatives Appropriations
17 Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate
18 Appropriations Committee on Agriculture, Natural, and Economic Resources, the Joint
19 Legislative Economic Development and Global Engagement Oversight Committee, and the
20 Fiscal Research Division on the use of Community Development Block Grant Funds
21 appropriated in the prior fiscal year. The report shall include the following:

22 (1) A discussion of each of the categories of funding and how the categories
23 were selected, including information on how a determination was made that
24 there was a statewide need in each of the categories.

25 (2) Information on the number of applications that were received in each
26 category and the total dollar amount requested in each category.

27 (3) A list of grantees, including the grantee's name, county, category under
28 which the grant was funded, the amount awarded, and a narrative description
29 of the project.

30 **SECTION 15.1.(g)** For purposes of this section, eligible activities under the
31 category of infrastructure in subsection (a) of this section shall be defined as provided in the
32 HUD State Administered Community Development Block Grant definition of the term
33 "infrastructure." Notwithstanding the provisions of subsection (e) of this section, funds
34 allocated to the infrastructure category in subsection (a) of this section shall not be reallocated
35 to any other category.

36 **SECTION 15.1.(h)** Throughout each year, deobligated funds arise in the various
37 funding categories and program years of the Community Development Block Grant (CDBG)
38 program as a result of (i) projects coming in under budget, (ii) projects being cancelled, or (iii)
39 projects being required to repay funds. Surplus federal administrative funds in the CDBG
40 program may vary from year-to-year based upon the amount of State-appropriated funds
41 allocated and the amount of eligible in-kind funds identified.

42 **SECTION 15.1.(i)** To allow the Department of Commerce and the Department of
43 Environmental Quality to quickly deploy deobligated and surplus federal administrative funds
44 as they are identified throughout the program year, the following shall apply to the use of
45 deobligated CDBG funds and surplus federal administrative funds:

46 (1) All surplus federal administrative funds shall be divided equally between the
47 Departments of Commerce and Environmental Quality and shall be used as
48 provided in subdivisions (2) and (3) of this subsection.

49 (2) All deobligated funds allocated to the Department of Commerce and any
50 surplus federal administrative funds, as provided for in subdivision (1) of
51 this subsection, may be used by the Department for all of the following:

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- a. To issue grants in the CDBG economic development or neighborhood revitalization program category.
 - b. For providing training and guidance to local governments relative to the CDBG program, its management, and administrative requirements.
 - c. For any other purpose consistent with the Department's administration of the CDBG program if an equal amount of State matching funds is available.
- (3) All deobligated funds allocated to the Department of Environmental Quality and any surplus federal administrative funds, as provided for in subdivision (1) of this subsection, may be used by the Department for all of the following:
- a. To issue grants in the CDBG infrastructure program category.
 - b. For any other purpose consistent with the Department's administration of the CDBG program if an equal amount of State matching funds is available.

GENERAL ASSEMBLY OF NORTH CAROLINA

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Drafting
SPECIAL PROVISION



2017-COMM-H2(S15.2)i

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

1 ***TRAVEL AND TOURISM BOARD TECHNICAL CORRECTION***

2 **SECTION 15.2.** G.S. 143B-434.1(d) reads as rewritten:

3 "(d) The members of the Board shall serve the following terms: the Secretary of
4 Commerce, the chief executive officer of the nonprofit corporation with which the Department
5 contracts pursuant to G.S. 143B-431.01(b), and the Chair of the Travel and Tourism Coalition
6 shall serve on the Board while they hold their respective offices. Each member of the Board
7 appointed by the Governor shall serve during his or her term of office. The members of the
8 Board appointed by the ~~General Assembly~~Speaker of the House of Representatives and the
9 President Pro Tempore of the Senate shall serve two-year terms beginning on September 1 of
10 ~~odd-numbered~~even-numbered years and ending on August 31. The first such term shall begin
11 on September 1, 2016, or as soon thereafter as the member is appointed to the Board, and end
12 on August 31, 2018. All other members of the Board shall serve a term which includes the
13 portion of calendar year 2016 that remains following their appointment or designation and ends
14 on August 31, 2017, and, thereafter, two-year terms which shall begin on September 1 of an
15 ~~even-numbered~~odd-numbered year and end on August 31. The first such two-year term shall
16 begin on September 1, 2017, and end on August 31, 2019."

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2017-COMM-H3(S15.3)-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

1 **EDPNC REPORTING DATE CHANGE**

2 **SECTION 15.3.(a)** G.S. 143B-431.01 reads as rewritten:

3 **"§ 143B-431.01. Department of Commerce – contracting of functions.**

4 ...

5 (e) Mandatory Contract Terms. – Any contract entered into under this section ~~must~~
6 shall include all of the following:

7 ...

8 (2) A provision requiring the nonprofit corporation to provide by ~~September 1~~
9 January 31 of each year, and more frequently as requested, a report to the
10 Department on prior ~~State-fiscal-calendar~~ year program activities, objectives,
11 and accomplishments and prior ~~State-fiscal-calendar~~ year itemized
12 expenditures and fund sources. The report shall also include all of the
13 following:

14 ...

15 (f) Report. – By ~~September 30~~ March 1 of each year, and more frequently as requested,
16 the Department shall submit a report to the Joint Legislative Commission on Governmental
17 Operations, the Joint Legislative Economic Development and Global Engagement Oversight
18 Committee, and the Fiscal Research Division on any performance for which the Department
19 has contracted pursuant to this section. The report shall contain, at a minimum, each of the
20 ~~following:~~ following presented on a calendar year basis:

21"

22 **SECTION 15.3.(b)** To enable data comparison, portions of the report required
23 pursuant to G.S. 143B-431.01(f) that contain references to prior submitted reports or data shall,
24 where possible, be presented on a calendar year basis.

25 **SECTION 15.3.(c)** This section becomes effective October 1, 2017, and applies to
26 the report due on or before March 1 of 2018 and subsequent years.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2017-COMM-H11(S15.5)-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

1 **BUDGET CODE REORGANIZATION FOR COMMERCE**

2 **SECTION 15.5.(a)** The Office of State Budget and Management shall establish a
3 fund code for the International Recruitment Coordination Office (IRCO) in the budget for the
4 Department of Commerce in Budget Code 14600 for the purpose of removing the IRCO from
5 the Administrative Services fund code. Notwithstanding any other provision of law to the
6 contrary, the nonrecurring funds appropriated to IRCO in fund code 1111 in the 2016-2017
7 fiscal year shall carry forward to the 2017-2018 fiscal year.

8 **SECTION 15.5.(b)** The Office of State Budget and Management shall reorganize
9 the various economic development funds by moving the following funds within Budget Code
10 14602 (Commerce – Economic Development):

- 11 (1) Site and Building Development Fund.
- 12 (2) Job Maintenance and Capital Development Fund.
- 13 (3) Job Development Investment Grant Fund.
- 14 (4) One NC Fund.
- 15 (5) Film and Entertainment Grant Fund.
- 16 (6) The nonadministrative portion of the Main Street Solutions Fund.
- 17 (7) Downtown Revitalization and Economic Development Grants Fund.
- 18 (8) The nonadministrative portion of the Rural Grants Fund.

19 **SECTION 15.5.(c)** The Office of Budget and Management shall move the fund
20 code for the Economic Development Partnership of North Carolina (14600-1114) to Budget
21 Code 14602 (Commerce – Economic Development) and shall update the fund code
22 accordingly.

23 **SECTION 15.5.(d)** The fund code changes authorized by this section shall be
24 completed by September 30, 2017, but are effective from July 1, 2017, and shall be reflected in
25 the base budget for the 2019-2021 fiscal biennium.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2017-COMM-H18(S15.7)-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

1 **SITE AND BUILDING DEVELOPMENT FUND**

2 **SECTION 15.7.(a)** Article 10 of Chapter 143B of the General Statutes is amended
3 by adding a new section to read:

4 **"§ 143B-437.02B. Site and Building Development Fund.**

5 (a) Definitions. – The following definitions apply in this section:

6 (1) Code. – Defined in G.S. 105-228.90.

7 (2) Department. – The Department of Commerce.

8 (3) Development plan. – A strategic analysis of potential qualified business
9 facilities required by this section to be maintained by the Department and
10 updated every four years.

11 (4) Fund. – The Site and Building Development Fund established in this section.

12 (5) Local government. – Any of the following:

13 a. A city as defined in G.S. 160A-1.

14 b. A county.

15 c. A consolidated city-county as defined in G.S. 160B-2.

16 (6) Local government unit. – The term includes a local government, a nonprofit
17 economic development corporation, and any combination of local
18 governments or nonprofit economic development corporations.

19 (7) Long-term lease. – A lease agreement with a maximum duration exceeding
20 three years, including any extensions allowed by the lease agreement.

21 (8) Nonprofit economic development corporation. – A corporation meeting all
22 of the following requirements:

23 a. Exempt from income tax under Section 501(c)(3) or Section
24 501(c)(6) of the Code.

25 b. Established to assist one or more local governments in reducing the
26 burden of economic development efforts.

27 c. Acknowledged through a resolution of one or more local
28 governments that contains all of the following:

29 1. Statement that the corporation is acting in support of the local
30 government in economic development efforts.

31 2. Nonbinding pledge to repay the Fund if the corporation fails
32 to make any required loan payments.

33 (9) Qualified business facilities. – Real property, improvements to real property,
34 and planned improvements to real property. Improvements to real property
35 include the following:

36 a. New buildings, renovations to buildings, and upfitting buildings.

37 b. Water lines, sewer lines, and other utility improvements.

38 c. Roads, grading, signage, and other access improvements.

39 d. Measures necessary for permitting, including services.

- 1 e. Any other measures necessary for the land to be marketable for
2 immediate use in commercial operations, including necessary
3 services.
- 4 (10) Sale. – Any transfer of ownership, including involuntary transfers.
- 5 (b) Fund Established. – The Site and Building Development Fund is created as a
6 restricted reserve in the Department. The Fund does not revert but remains available to the
7 Department for the purposes of this section.
- 8 (c) Use of the Fund. – The Department shall use the Fund for the following purposes:
- 9 (1) Loans to local government units for the acquisition and development of
10 qualified business facilities in accordance with this section.
- 11 (2) Up to three percent (3%) of the funds available in the Fund for expenses
12 directly related to the operation of the Fund and administering loans from the
13 Fund.
- 14 (d) Application. – The Department shall require a local government unit to submit an
15 application in order for a project to be considered for a loan from the Fund. The Department
16 shall prescribe the form of the application, the application process, and the information to be
17 provided, including all information necessary to evaluate the qualified business facility in
18 accordance with this section.
- 19 (e) Selection. – The Department shall administer the selection of qualified business
20 facilities to receive loans from the Fund. The Department shall develop written guidelines to
21 identify and evaluate qualified business facilities. The Department shall issue written findings
22 addressing any application approved for a loan from the Fund. The Department shall consider
23 the following factors in approving applications for loans from the Fund:
- 24 (1) Consistency with the economic development goals of the State and of the
25 area where the qualified business facility will be located.
- 26 (2) The priority recommendations in the development plan.
- 27 (3) Preference for qualified business facilities located in rural or less-developed
28 areas of the State.
- 29 (4) Evaluation of the application to determine if the qualified business facilities
30 are merited and appropriate for the proposed use.
- 31 (5) Necessity of a loan from the Fund for the completion of the qualified
32 business facility.
- 33 (f) Development Plan. – The Department shall obtain a strategic analysis of potential
34 qualified business facilities and an update to the analysis every four years. The Department
35 may contract with another entity with demonstrated experience in site selection services for
36 businesses and in evaluating sites for business recruitment purposes.
- 37 (g) Awards. – If the Department approves an application for a qualified business
38 facility, the Department shall determine the amount of the loan from the Fund, the preferred
39 form and details of the loan participation, and the safeguards to protect the State's investment.
- 40 (h) Maximum Award to Tier Three Counties. – The maximum outstanding loan balance
41 from the Fund to qualified business facilities located in tier three counties, based on the
42 designation assigned pursuant to G.S. 143B-437.08, shall be thirty percent (30%) of the
43 difference between the cumulative total appropriations into the Fund and total expenses paid
44 from the Fund.
- 45 (i) Loan Terms. – Loans from the Fund shall meet the following requirements:
- 46 (1) The loan is evidenced by a promissory note and secured by a first deed of
47 trust on the qualified business facility.
- 48 (2) The maximum duration of a loan is 15 years.
- 49 (3) The loan is due upon the sale or long-term lease of the qualified business
50 facility. Principal and accrued interest must be paid when the loan is due or
51 more frequently.

1 (4) The interest rate of a loan is zero percent (0%) for tier one counties, one
2 percent (1%) for tier two counties, and two percent (2%) for tier three
3 counties, based on the designation assigned to counties pursuant to
4 G.S. 143B-437.08.

5 (5) The loan agreement shall require the local government unit to obtain from
6 any entity leasing or purchasing the qualified business facility the following:

7 a. An agreement that the entity will not use the qualified business
8 facility for retail, professional office, sporting event, museum, or
9 governmental purposes for at least five years after the lease or
10 purchase.

11 b. A legal opinion based on a search of public records that the entity
12 leasing or purchasing the qualified business facility has no debts
13 related to unpaid taxes.

14 (j) Multiple Loans. – One or more financial institutions may hold a security interest on
15 the qualified business facility with a priority equal to the security interest for the loan from the
16 Fund if there is a written intercreditor agreement between the Department and other equal
17 priority creditors that provides that, in the event of default, any loss is shared among the
18 creditors in proportion to the amount loaned.

19 (k) Payments. – The Department shall be responsible for monitoring the loan and
20 administering the repayment. The Department shall remit all amounts paid under this section to
21 the Fund.

22 (l) Release. – The Department, at its discretion, may release property from the first
23 deed of trust if adequate security remains for the outstanding balance of the loan from the Fund.
24 The Department may use this authority to release property to restructure the terms of the loan
25 and participate in financing transactions involving the qualified business facility.

26 (m) Limitation. – Nothing in this section constitutes or authorizes a guarantee or
27 assumption by the State of any debt of any business or authorizes the taxing power or the full
28 faith and credit of the State to be pledged.

29 (n) Notice of Guidelines. – At least 20 days before the effective date of any guidelines,
30 the Department shall publish the proposed guidelines on the Department's Web site and provide
31 notice to persons who have requested notice. In addition, the Department shall accept written
32 comments on the proposed guidelines during the 15 business days beginning on the first day
33 the Department has completed the notice requirement of this subsection. Amendments to the
34 guidelines to correct spelling, grammatical, or typographical errors do not require notice.

35 (o) Reports. – On September 1 of each year until the Fund has no assets, the
36 Department shall submit a written report on the Fund to the chairs of the Senate Appropriations
37 Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of
38 Representatives Appropriations Committee on Agriculture and Natural and Economic
39 Resources, the Joint Legislative Economic Development and Global Engagement Oversight
40 Committee, and the Fiscal Research Division and publish this report on its Web site. This
41 report shall contain at least all of the following:

42 (1) A listing of each outstanding loan, including the date of loan, amount of
43 loan, outstanding amount of loan, interest rate, maturity date, location of
44 qualified business facility acting as security, brief property description,
45 identity of local government unit receiving the loan, status of repayment,
46 current use of the qualified business facility, and identification of loans made
47 since the last report.

48 (2) Written findings addressing any application approved for a loan from the
49 Fund since the last report, as required by subsection (e) of this section.

50 (3) Detailed information about any defaults and repayment since the last report.

51 (4) Information contained in the report required by G.S. 105-277.15A(g)."

1 **SECTION 15.7.(b)** G.S. 150B-1(d) is amended by adding a new subdivision to
2 read:
3 "(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the
4 following:
5 ...
6 (29) The Department of Commerce in developing criteria and guidelines under
7 G.S. 143B-437.02B."
8 **SECTION 15.7.(c)** The provisions of this section are not subject to the terms of
9 G.S. 160A-20.
10 **SECTION 15.7.(d)** This section does not obligate the General Assembly to
11 appropriate funds to implement it.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-COMM-H17(S15.10)-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

1 **PROSPERITY ZONE REPORTING**

2 **SECTION 15.10.(a)** For each Collaboration for Prosperity Zone established in
3 G.S. 143B-28.1, the employees of the Department of Commerce in the zone shall submit a
4 report on or before September 1 of each year to the Joint Legislative Oversight Committee on
5 Agriculture and Natural and Economic Resources, the Joint Legislative Economic
6 Development and Global Engagement Oversight Committee, and the Fiscal Research Division
7 on the following criteria:

- 8 (1) Jobs anticipated to result from efforts of the employees, including the name
9 and contact person of each company creating new jobs in the zone.
- 10 (2) The location of each project, including the development tier designation of
11 the location.
- 12 (3) Project leads that were not submitted to the Department for possible
13 discretionary incentives pursuant to Chapter 143B of the General Statutes.
- 14 (4) Proactive local government outreach to share information and planning
15 services that are available.
- 16 (5) Coordination of regular meetings with Prosperity Zones agency
17 representatives to increase collaboration of services and resources to local
18 communities.
- 19 (6) Completion of strategic economic development plans, downtown
20 revitalization project plans, implementation services, market studies,
21 Geographical Information Systems (GIS) mapping, and assistance with
22 development policies for local governments that can be measured for
23 economic impact, including investment, business growth, and jobs as a result
24 of the planning effort.
- 25 (7) Existing business expansion activities, service requests, and number of
26 contacts and inquiries.
- 27 (8) New business location activities and number of contacts and inquiries.

28 **SECTION 15.10.(b)** The Department of Commerce shall develop performance
29 metrics for Community Planners for the Collaboration for Prosperity Zones established in
30 G.S. 143B-28.1 using the criteria listed in subsection (a) of this section. The Department of
31 Commerce shall submit a report on or before September 1 of each year to the Joint Legislative
32 Oversight Committee on Agriculture and Natural and Economic Resources, the Joint
33 Legislative Economic Development and Global Engagement Oversight Committee, and the
34 Fiscal Research Division detailing the performance metrics and the measurements observed for
35 each Community Planner within the Collaboration for Prosperity Zones.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-COMM-H6(S15.11)-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

1 **WASTEWATER FUNDING REPORT**

2 **SECTION 15.11.** The Johnston County Research and Training Zone shall submit a
3 report detailing its use of State funds appropriated by the General Assembly. The report shall
4 be submitted to the Joint Legislative Oversight Committee on Agriculture and Natural and
5 Economic Resources, the chairs of the House of Representatives Appropriations Committee on
6 Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations
7 Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division
8 by September 1, 2017, and September 1 of each subsequent year State funds are received, and
9 more frequently as requested, and shall include the information required by this section for the
10 most recently ended fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Drafting
SPECIAL PROVISION



2017-COMM-H7(S15.12)i

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

1 ***YOUTH WORKFORCE INVESTMENT PROGRAM CHANGES***

2 **SECTION 15.12.(a)** The local Workforce Development Boards created pursuant to
3 G.S. 143B-438.11 shall include in their State-developed criteria to be used in awarding grants
4 for youth workforce investment activities pursuant to Section 129 of the federal Workforce
5 Innovation and Opportunity Act a competitive process that requires grant recipients to provide
6 at least the following information as part of the application process and consideration of grant
7 awards:

- 8 (1) The extent to which the organization specifically focuses on serving at-risk
9 youth, including youth who are at risk of school dropout or at risk of school
10 displacement due to suspension or expulsion.
- 11 (2) Whether the organization leverages community-based resources, including
12 partnerships with organizations that provide mentoring services and
13 private-sector employer involvement.
- 14 (3) The use of an evidence-based program model by the organization with a
15 proven track record of success.
- 16 (4) The inclusion of rigorous, quantitative performance measures by the
17 organization to confirm effectiveness of the program.
- 18 (5) The deployment of comprehensive support services to youth, including
19 addressing behavioral issues, emphasizing academic and career growth, and
20 enhancing parent and family engagement.

21 **SECTION 15.12.(b)** The local Workforce Development Boards shall coordinate
22 with the NCWorks Commission to update the Workforce Innovation and Opportunity Act
23 Unified State Plan, as needed, to reflect the inclusions to the State-developed criteria required
24 by subsection (a) of this section.

25 **SECTION 15.12.(c)** On or before October 1 of each year, the local Workforce
26 Development Boards shall submit a report to the Joint Legislative Oversight Committee on
27 Agriculture and Natural and Economic Resources, the chairs of the House of Representatives
28 Appropriations Committee on Agriculture and Natural and Economic Resources, the Joint
29 Legislative Education Oversight Committee, and the Fiscal Research Division on prior State
30 fiscal year program activities, objectives, and accomplishments and prior State fiscal year
31 itemized expenditures and fund sources. The report shall also contain a list of grant recipients
32 and the amount received by the grant recipients.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-COMM-H19(S15.13)-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

1 **APPRENTICESHIPNC/TRANSFER STATE APPRENTICESHIP PROGRAM**

2 **SECTION 15.13.(a)** All functions, powers, duties, obligations, resources, and
3 appropriations vested in the Apprenticeship Program and the Apprenticeship Council are
4 transferred to, vested in, and consolidated into the North Carolina Community Colleges System
5 Office as a Type I transfer, as defined in G.S. 143A-6. The State Board of Community
6 Colleges, the Community Colleges System Office, and the Office of State Budget and
7 Management are authorized to take all other steps necessary to consolidate the Apprenticeship
8 Program and the Apprenticeship Council into the Community Colleges System Office. Joint
9 delivery of Apprenticeship and Community College workforce training programs shall ensure
10 coordination of program delivery and appropriate classroom training supporting the needs of
11 students and employers.

12 **SECTION 15.13.(b)** Chapter 94 of the General Statutes is repealed.

13 **SECTION 15.13.(c)** Chapter 115D of the General Statutes is amended by adding a
14 new Article to read:

15 "Article 1A.

16 "ApprenticeshipNC.

17 "**§ 115D-11.5. Purpose.**

18 The purposes of this Article are to open to young people the opportunity to obtain training
19 that will equip them for profitable employment and citizenship; to set up, as a means to this
20 end, a program of voluntary apprenticeship under approved apprentice agreements providing
21 facilities for their training and guidance in the arts and crafts of industry and trade, with parallel
22 instruction in related and supplementary education; to promote employment opportunities for
23 young people under conditions providing adequate training and reasonable earnings; to relate
24 the supply of skilled workers to employment demands; to establish standards for apprentice
25 training; to coordinate workforce education and customized training tools to fill talent pipeline
26 gaps, as appropriate, with local business and industry; to establish an Apprenticeship Council
27 and apprenticeship committees and sponsors to assist in effectuating the purposes of this
28 Article; to leverage the collaborative and regional structure of the community college service
29 areas with the Collaboration for Prosperity Zones set out in G.S. 143B-28.1; to provide for a
30 Director of ApprenticeshipNC within the Community Colleges System Office; to provide for
31 reports to the legislature and to the public regarding the status of apprentice training in the
32 State; to establish a procedure for the determination of apprentice agreement controversies; and
33 to accomplish related ends.

34 "**§ 115D-11.6. Apprenticeship Council.**

35 The State Board of Community Colleges shall appoint an Apprenticeship Council
36 composed of four representatives each from employer and employee organizations respectively
37 and three representatives from the public at large. One State official designated by the
38 Department of Public Instruction and one State official designated by the Department of
39 Commerce shall be a member ex officio of the council, without vote. The terms of office of the
40 members of the Apprenticeship Council shall be designated by the State Board. Any member
41 appointed to fill a vacancy occurring prior to the expiration of the term of his or her

1 predecessor shall be appointed for the remainder of the term. Each member of the Council not
2 otherwise compensated by public moneys, shall be reimbursed for transportation and shall
3 receive such per diem compensation as is provided generally for boards and commissions under
4 the biennial maintenance appropriation acts for each day spent in attendance at meetings of the
5 Apprenticeship Council. The State Board of Community Colleges shall annually appoint one
6 member of the Council to act as its chair.

7 The Apprenticeship Council shall meet at the call of the State Board of Community
8 Colleges and shall aid the State Board and the Community Colleges System Office in
9 formulating policies for the effective administration of this Article. The Apprenticeship Council
10 shall establish standards for apprentice agreements which in no case shall be lower than those
11 prescribed by this Article, shall recommend rules and regulations to the State Board of
12 Community Colleges as may be necessary to carry out the intent and purposes of this Article,
13 and shall perform other functions as the State Board of Community Colleges may direct. Not
14 less than once a year the Apprenticeship Council shall make a report through the Community
15 Colleges System Office of its activities and findings to the legislature and to the public.

16 **"§ 115D-11.7. ApprenticeshipNC.**

17 The State Board of Community Colleges is hereby directed to appoint a Director of
18 ApprenticeshipNC, which appointment shall be subject to the confirmation of the State
19 Apprenticeship Council by a majority vote. Upon the recommendation of the Director, the State
20 Board of Community Colleges may appoint and employ clerical, technical, and professional
21 help as necessary to effectuate the purposes of this Article. The Director shall supervise
22 clerical, technical, and professional staff appointed to administer the ApprenticeshipNC
23 program.

24 **"§ 115D-11.8. Powers and duties of Director of ApprenticeshipNC.**

25 The Director, under the supervision of the President of the North Carolina Community
26 College System or the President's designee and with the advice and guidance of the
27 Apprenticeship Council, is authorized to administer the provisions of this Article; in
28 cooperation with the Apprenticeship Council and apprenticeship committees and sponsors, to
29 set up conditions and training standards for apprentice agreements, which conditions or
30 standards shall in no case be lower than those prescribed by this Article; to act as secretary of
31 the Apprenticeship Council; to approve for the Council any apprentice agreement that meets
32 the standards established under this Article; to terminate or cancel any apprentice agreement in
33 accordance with the provisions of the agreement; to keep a record of apprentice agreements and
34 their disposition; to issue certificates of completion of apprenticeship; and to perform other
35 duties as are necessary to carry out the intent of this Article, including other on-the-job training
36 necessary for emergency and critical civilian production. The administration and supervision of
37 related and supplemental instruction for apprentices, coordination of instruction with job
38 experiences, and the selection and training of teachers and coordinators for the instruction is the
39 responsibility of State and local boards responsible for career and technical education.

40 **"§ 115D-11.9. Apprenticeship committees and program sponsors.**

41 (a) As used in this Article:

42 (1) "Apprenticeship agreement" means a written agreement between an
43 apprentice and either his or her employer or an apprenticeship committee or
44 sponsor acting as agent for employers, which agreement satisfies the
45 requirements of G.S. 115D-11.11.

46 (2) "Apprenticeship committee" means those persons designated by the sponsor,
47 and approved by the Apprenticeship Council, to act for it in the
48 administration of the apprenticeship program. A committee may be "joint,"
49 i.e., it is composed of an equal number of representatives of the employer
50 and of the employees represented by a bona fide collective bargaining agent
51 and has been established to conduct, operate, or administer an apprenticeship

1 program and enter into apprenticeship agreements with apprentices. A
2 committee may be "unilateral" or "nonjoint" which shall mean a program
3 sponsor in which employees or a bona fide collective bargaining agent is not
4 a party.

5 (3) "ApprenticeshipNC" means the statewide apprenticeship program
6 administered by the Community Colleges System Office in accordance with
7 this Article.

8 (4) "Apprenticeship program" means a plan containing all terms and conditions
9 for the qualification, recruitment, selection, employment, and training of
10 apprentices, including such matters as the requirement for a written
11 apprenticeship agreement.

12 (5) "Employer" means any person, firm, corporation, or organization employing
13 an apprentice whether or not such person, firm, corporation, or organization
14 is a party to an apprenticeship agreement with the apprentice.

15 (6) "Sponsor" means any person, firm, corporation, organization, association, or
16 committee operating an apprenticeship program and in whose name the
17 apprenticeship program is approved.

18 (b) An apprenticeship committee may be appointed by the Apprenticeship Council in
19 any trade or group of trades in a city or trade area, whenever the apprentice training needs of
20 the trade or group of trades justifies such establishment.

21 (c) The function of the apprenticeship committee, or sponsor when there is no
22 apprenticeship committee, shall be to cooperate with school authorities in regard to the
23 education of apprentices; in accordance with the standards set up by the apprenticeship
24 committee for the same trade or group of trades, where a committee has been appointed, to
25 work in an advisory capacity with employers and employees in matters regarding schedule of
26 operations, application of wage rates, and working conditions for apprentices and to specify the
27 number of apprentices which shall be employed locally in the trade under the apprenticeship
28 agreements under this Article; to adjust apprenticeship disputes, subject to the approval of the
29 Director; to ascertain the prevailing rate for journeymen in the city or trade area and specify the
30 graduated scale of wages applicable to apprentices in the trade in that area; to ascertain
31 employment needs in the trade or group of trades and specify the appropriate current ratio of
32 apprentices to journeymen; and to make recommendations for the general good of apprentices
33 engaged in the trade or trades represented by the committee. An apprenticeship committee may
34 appoint a representative and delegate to the representative the authority for implementation and
35 performance of any standards adopted by the committee pursuant to any of the aforementioned
36 functions.

37 **"§ 115D-11.10. Definition of an apprentice.**

38 The term "apprentice" means a person at least 16 years of age who is covered by a written
39 apprenticeship agreement approved by the Apprenticeship Council, which apprenticeship
40 agreement provides for not less than 2,000 hours of reasonably continuous employment for the
41 person for his or her participation in an approved schedule of work experience and for
42 organized, related supplemental instruction in technical subjects related to the trade. A
43 minimum of 144 hours of related supplemental instruction for each year of apprenticeship is
44 recommended. The required hours for apprenticeship agreements and the recommended hours
45 for related supplemental instruction may be decreased or increased in accordance with
46 standards adopted by the apprenticeship committee or sponsor, subject to approval of the State
47 Board of Community Colleges.

48 **"§ 115D-11.11. Contents of agreement.**

49 Every apprentice agreement entered into under this Article shall contain:

50 (1) The names of the contracting parties.

51 (2) The date of birth of the apprentice.

- 1 (3) A statement of the trade, craft, or business which the apprentice is to be
2 taught, and the time at which the apprenticeship will begin and end.
- 3 (4) A statement showing (i) the number of hours to be spent by the apprentice in
4 work on the job and (ii) the number of hours to be spent in related and
5 supplemental instruction, which is recommended to be not less than 144
6 hours per year. In no case shall the combined weekly hours of work and of
7 required related and supplemental instruction of the apprentice exceed the
8 maximum number of hours of work prescribed by law for a person of the age
9 of the apprentice.
- 10 (5) A statement setting forth a schedule of the processes in the trade or industry
11 division in which the apprentice is to be taught and the approximate time to
12 be spent at each process.
- 13 (6) A statement of the graduated scale of wages to be paid the apprentice and
14 whether the required school time shall be compensated.
- 15 (7) A statement providing for a period of probation of not more than 500 hours
16 of employment and instruction extending over not more than four months,
17 during which time the apprentice agreement shall be terminated by the
18 Director at the request in writing of either party, and providing that after the
19 probationary period the apprentice agreement may be terminated by the
20 Director by mutual agreement of all parties or canceled by the Director for
21 good and sufficient reason. The Council at the request of a joint apprentice
22 committee may lengthen the period of probation.
- 23 (8) A provision that all controversies or differences concerning the apprentice
24 agreement which cannot be adjusted locally in accordance with
25 G.S. 115D-11.9 shall be submitted to the Director for determination.
- 26 (9) A provision that an employer who is unable to fulfill his or her obligation
27 under the apprentice agreement may with the approval of the Director
28 transfer the contract to any other employer; provided, that the apprentice
29 consents and that the other employer agrees to assume the obligations of the
30 apprentice agreement.
- 31 (10) Any additional terms and conditions as may be prescribed or approved by
32 the Director not inconsistent with the provisions of this Article.

33 **"§ 115D-11.12. Approval of apprentice agreements; signatures.**

34 No apprentice agreement under this Article shall be effective until approved by the
35 Director. Every apprentice agreement shall be signed by the employer, or by an association of
36 employers or an organization of employees as provided in G.S. 115D-11.13, and by the
37 apprentice, and if the apprentice is a minor, by either of the minor's parents, or by any person,
38 agency, organization, or institution standing in loco parentis. Where a minor enters into an
39 apprentice agreement under this Article for a period of training extending into his or her
40 majority, the apprentice agreement shall likewise be binding for a period as may be covered
41 during the apprentice's majority.

42 **"§ 115D-11.13. Rotation of employment.**

43 For the purpose of providing greater diversity of training or continuity of employment, any
44 apprentice agreement made under this Article may in the discretion of the Director of
45 ApprenticeshipNC be signed by an association of employers or an organization of employees
46 instead of by an individual employer. In this case, the apprentice agreement shall expressly
47 provide that the association of employers or organization of employees does not assume the
48 obligation of an employer but agrees to use its best endeavors to procure employment and
49 training for the apprentice with one or more employers who will accept full responsibility for
50 all the terms and conditions of employment and training set forth in the agreement between the
51 apprentice and employer association or employee organization during the period of each

1 employment. The apprentice agreement in this case shall also expressly provide for the transfer
2 of the apprentice, subject to the approval of the Director, to such employer or employers who
3 shall sign in written agreement with the apprentice, and if the apprentice is a minor with his or
4 her parent or guardian, as specified in G.S. 115D-11.12, contracting to employ the apprentice
5 for the whole or a definite part of the total period of apprenticeship under the terms and
6 conditions of employment and training set forth in the agreement entered into between the
7 apprentice and employer association or employee organization.

8 **"§ 115D-11.14. Limitation.**

9 Nothing in this Article or in any apprentice agreement approved under this Article shall
10 invalidate any apprenticeship provision in any collective agreement between employers and
11 employees that sets up higher apprenticeship standards. None of the terms or provisions of this
12 Article apply to any person, firm, corporation, or crafts unless, until, and only so long as the
13 person, firm, corporation, or crafts voluntarily elects that the terms and provisions of this
14 Article apply. Any person, firm, corporation, or crafts terminating an apprenticeship agreement
15 shall notify the Director of ApprenticeshipNC."

16 **SECTION 15.13.(d)** Notwithstanding G.S. 115D-11.6, as enacted by this section,
17 the current members serving on the Apprenticeship Council pursuant to G.S. 94-2 as of July 1,
18 2017, shall serve the remainder of their terms. Thereafter, as terms expire, or when a vacancy
19 occurs prior to the expiration of a term, members of the Apprenticeship Council shall be
20 appointed by the State Board of Community Colleges in accordance with G.S. 115D-11.6, as
21 enacted by this section.

22 **SECTION 15.13.(e)** Within 90 days of the date this act becomes law, the
23 Department of Commerce shall submit a Workforce Innovation and Opportunity Act State Plan
24 amendment to the United States Department of Labor to designate the Community Colleges
25 System Office as the State agency responsible for the administration of ApprenticeshipNC as
26 provided for in this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-COMM-H12-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 **JMAC ELIGIBILITY MODIFICATION**

2 SECTION #.(a) G.S. 143B-437.012 reads as rewritten:

3 **"§ 143B-437.012. Job Maintenance and Capital Development Fund.**

4 ...

5 (d) Eligibility. – A business is eligible for consideration for a grant under this section if
6 it satisfies the conditions of either subdivision ~~(1)~~(1), (1a), or (2) of this subsection and satisfies
7 subdivision (4) of this subsection:

8 (1) The business is a major employer. A business is a major employer if the
9 business meets the following requirements:

10 a. The Department certifies that the business has invested or intends to
11 invest at least two hundred million dollars (\$200,000,000) of private
12 funds in improvements to real property and additions to tangible
13 personal property in the project within a six-year period beginning
14 with the time the investment commences.

15 b. The business employs at least 2,000 full-time employees or
16 equivalent full-time contract employees at the project that is the
17 subject of the grant at the time the application is made, and the
18 business agrees to maintain at least 2,000 full-time employees or
19 equivalent full-time contract employees at the project for the full
20 term of the grant agreement.

21 c. The project is located in a development tier one area at the time the
22 business applies for a grant.

23 (1a) The business previously received a grant as a major employer under this
24 section and meets the following requirements:

25 a. The Department certifies that the business has invested or intends to
26 invest at least two hundred million dollars (\$200,000,000) of private
27 funds in improvements to real property and additions to tangible
28 personal property in the project within a 10-year period beginning
29 with the time the investment commences. Amounts certified as
30 invested under sub-subdivision a. of subdivision (1) of this
31 subsection shall not be included in the amount required by this
32 sub-subdivision.

33 b. The business employs at least 2,000 full-time employees or
34 equivalent full-time contract employees at the project that is the
35 subject of the grant at the time the application is made and the
36 business agrees to maintain at least 2,000 full-time employees or
37 equivalent full-time contract employees at the project for the full
38 term of the grant agreement.

39 c. The project is at the same location as that for which a grant was
40 previously awarded under subdivision (1) of this subsection.

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...

(4) All newly hired employees of the business must be citizens of the United States or have proper identification and documentation of their authorization to reside and work in the United States.

...

(n) Limitations. – The Department may enter into no more than ~~five-six~~ agreements under this section. The total aggregate cost of all agreements entered into under this section may not exceed ~~seventy-nine million dollars (\$79,000,000)~~ one hundred thirty-nine million dollars (\$139,000,000). The total annual cost of an agreement entered into under this section may not exceed six million dollars (\$6,000,000)."

SECTION #.(b) This section is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-COMM-H14-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 *EXTEND JDIG SUNSET*

2 **SECTION #.(a)** G.S. 143B-437.62 reads as rewritten:

3 "**§ 143B-437.62. Expiration.**

4 The authority of the Committee to award new grants expires January 1, ~~2019~~2025."

5 **SECTION #.(b)** This section is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-COMM-H20-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 ***KEEP WELCOME CENTERS OPEN***

2 **SECTION #.** The Department of Commerce shall not close any welcome center in
3 this State during the 2017-2019 fiscal biennium without authorization from the General
4 Assembly.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-COMM-H21-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 **INDUSTRIAL COMMISSION SERVICE OF PROCESS**

2 SECTION #. G.S. 97-86 reads as rewritten:

3 "**§ 97-86. Award conclusive as to facts; appeal; certified questions of law.**

4 The award of the Industrial Commission, as provided in G.S. 97-84, if not reviewed in due
5 time, or an award of the Commission upon such review, as provided in G.S. 97-85, shall be
6 conclusive and binding as to all questions of fact; but either party to the dispute may, within 30
7 days from the date of such award or within 30 days after receipt of notice to be sent by
8 ~~registered mail~~ any class of U.S. mail that is fully prepaid or ~~certified mail~~ electronic mail
9 of such award, but not thereafter, appeal from the decision of said Commission to the Court of
10 Appeals for errors of law under the same terms and conditions as govern appeals from the
11 superior court to the Court of Appeals in ordinary civil actions. The procedure for the appeal
12 shall be as provided by the rules of appellate procedure.

13 The Industrial Commission of its own motion may certify questions of law to the Court of
14 Appeals for decision and determination by said Court. In case of an appeal from the decision of
15 the Commission, or of a certification by said Commission of questions of law, to the Court of
16 Appeals, said appeal or certification shall operate on a supersedeas except as provided in
17 G.S. 97-86.1, and no employer shall be required to make payment of the award involved in said
18 appeal or certification until the questions at issue therein shall have been fully determined in
19 accordance with the provisions of this Article. If the employer is a noninsurer, then the appeal
20 of such employer shall not act as a supersedeas and the plaintiff in such case shall have the
21 same right to issue execution or to satisfy the award from the property of the employer pending
22 the appeal as obtains to the successful party in an action in the superior court.

23 When any party to an appeal from an award of the Commission is unable, by reason of his
24 poverty, to make the deposit or to give the security required by law for said appeal, any
25 member of the Commission or any deputy commissioner shall enter an order allowing said
26 party to appeal from the award of the Commission without giving security therefor. The party
27 appealing from the judgment shall, within 30 days from the filing of the appeal from the award,
28 make an affidavit that he is unable by reason of his poverty to give the security required by law.
29 The request shall be passed upon and granted or denied by a member of the Commission or
30 deputy commissioner within 20 days from receipt of the affidavit specified above."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-COMM-H22-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 ***INDUSTRIAL COMMISSION LITIGATION EXPENSE CARRYFORWARD***

2 **SECTION #.(a)** The North Carolina Industrial Commission (Commission) may
3 carry forward up to two hundred fifty thousand dollars (\$250,000) of State funds appropriated
4 in the 2016-2017 fiscal year for legal services. Any funds remaining after completion of the
5 legal services for which the funds were appropriated shall be retained by the Commission.

6 **SECTION #.(b)** Notwithstanding G.S. 147-17 and G.S. 114-2.3, the North
7 Carolina Industrial Commission is authorized to use the funds carried forward under subsection
8 (a) of this section to employ and supervise private counsel.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-COMM-H23-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

Requested by

1 ***INDUSTRIAL COMMISSION CASE MANAGEMENT SYSTEMS***

2 **SECTION #.(a)** The Industrial Commission shall coordinate with the Department
3 of Information Technology and other State agencies to replace the Industrial Commission's case
4 management systems by assessing system requirements and to find the most cost-effective
5 means of meeting those requirements.

6 **SECTION #.(b)** Of the funds appropriated in this act to the Industrial Commission,
7 the sum of three million dollars (\$3,000,000) in nonrecurring funds for the 2017-2018 fiscal
8 year shall be allocated for the purpose of replacing and maintaining the Industrial
9 Commission's case management systems and related expenditures.

10 **SECTION #.(c)** The Industrial Commission may retain the additional revenue up
11 to one million two hundred thousand dollars (\$1,200,000) of the fee charged to parties for the
12 filing of compromise settlement agreements to be used for the purpose of replacing and
13 maintaining the Industrial Commission's case management systems and related expenditures.

14 **SECTION #.(d)** The funds in subsection (b) of this section shall not revert. The fee
15 retention authorization in subsection (c) of this section shall expire on June 30, 2021.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-COMM-H9(S15A.1)-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

1 **NC BIOTECHNOLOGY CENTER**

2 **SECTION 15A.1.(a)** Of the funds appropriated in this act to the Department of
3 Commerce, the sum of thirteen million six hundred thousand three hundred thirty-eight dollars
4 (\$13,600,338) for each fiscal year in the 2017-2019 biennium shall be allocated to the North
5 Carolina Biotechnology Center (hereinafter "Center") for the following purposes:

- 6 (1) Job Creation: AgBiotech Initiative, Economic and Industrial Development,
7 and related activities – two million nine hundred twenty-four thousand
8 seventy-three dollars (\$2,924,073).
9 (2) Science and Commercialization: Science and Technology Development,
10 Centers of Innovation, Business and Technology Development, Education
11 and Training, and related activities – eight million eight hundred thirteen
12 thousand nineteen dollars (\$8,813,019).
13 (3) Center Operations: Administration, Professional and Technical Assistance
14 and Oversight, Corporate Communications, Human Resource Management,
15 Financial and Grant Administration, Legal, and Accounting – one million
16 eight hundred sixty-three thousand two hundred forty-six dollars
17 (\$1,863,246).

18 **SECTION 15A.1.(b)** The Center shall prioritize funding and distribution of loans
19 over existing funding and distribution of grants.

20 **SECTION 15A.1.(c)** Except to provide administrative flexibility, up to ten percent
21 (10%) of each of the allocations in subsection (a) of this section may be reallocated to one or
22 more of the other allocations in subsection (a) of this section if, in the judgment of Center
23 management, the reallocation will advance the mission of the Center.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Proofed
SPECIAL PROVISION



2017-COMM-H10(S15A.2)-P

Department of Commerce
House Appropriations, Agriculture and Natural and Economic Resources

1 **COMMERCE NONPROFITS/REPORTING REQUIREMENTS**

2 **SECTION 15A.2.** High Point Furniture Market Authority, North Carolina
3 Biotechnology Center, Carolina Small Business Development Fund, and RTI International shall
4 do the following for each year that State funds are expended:

5 (1) By September 1 of each year, and more frequently as requested, report to the
6 Joint Legislative Oversight Committee on Agriculture and Natural and
7 Economic Resources, the chairs of the House of Representatives
8 Appropriations Committee on Agriculture and Natural and Economic
9 Resources, the chairs of the Senate Appropriations Committee on
10 Agriculture, Natural, and Economic Resources, and the Fiscal Research
11 Division on prior State fiscal year program activities, objectives, and
12 accomplishments and prior State fiscal year itemized expenditures and fund
13 sources.

14 (2) Provide to the Joint Legislative Oversight Committee on Agriculture and
15 Natural and Economic Resources, the chairs of the House of Representatives
16 Appropriations Committee on Agriculture and Natural and Economic
17 Resources, the chairs of the Senate Appropriations Committee on
18 Agriculture, Natural, and Economic Resources, and the Fiscal Research
19 Division a copy of the entity's annual audited financial statement within 30
20 days of issuance of the statement.