

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

SENATE BILL 401
RATIFIED BILL

AN ACT TO MAKE VARIOUS CHANGES TO THE AGRICULTURAL LAWS OF THIS STATE.

The General Assembly of North Carolina enacts:

AGRICULTURAL WATER PLAN UPDATE

SECTION 1.(a) The Department of Agriculture and Consumer Services shall update the Strategic Plan for Protecting Agricultural Water Resources in North Carolina established in S.L. 2010-149 to include all of the following:

- (1) Water infrastructure needs to increase access and long-term storage capacity.
- (2) Water conservation and reuse practices.
- (3) Cost-share assistance needed to incentivize (i) construction of water infrastructure to increase access and long-term storage capacity and (ii) implementation of water conservation and reuse practices.
- (4) Methods to identify best management practices for temporary water storage and retention to mitigate downstream flooding.
- (5) Methods to identify best management practices to reduce the impact of flooding on agricultural lands.
- (6) Methods to design incentive programs to compensate landowners that participate in flood mitigation programs.

SECTION 1.(b) The Department of Agriculture and Consumer Services shall report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources by January 1, 2027, on the development of the plan and any legislative changes needed to implement the plan.

FERAL SWINE WORKING GROUP

SECTION 2.(a) There is authorized and housed administratively within the Wildlife Resources Commission the Feral Swine Working Group. The Working Group shall consist of 10 members, as follows:

- (1) The Executive Director of the North Carolina Wildlife Resources Commission or the Executive Director's designee, who shall serve as cochair.
- (2) The Commissioner of Agriculture or the Commissioner's designee, who shall serve as cochair.
- (3) The Forest Supervisor of the United States Forest Service or the Forest Supervisor's designee.
- (4) The State Director of the Wildlife Services Division of the Animal and Plant Health Inspection Service of the United States Department of Agriculture or the State Director's designee.
- (5) A representative of the North Carolina Pork Council.
- (6) A representative of the North Carolina Veterinary Medical Association.
- (7) A representative of the North Carolina Cattlemen's Association.



- (8) The President of the North Carolina Farm Bureau Federation, Inc., or the President's designee.
- (9) A representative of the North Carolina Wildlife Federation.
- (10) A representative of the North Carolina Forestry Association.

SECTION 2.(b) The Feral Swine Working Group shall develop a statewide plan to control feral swine damage on private and public lands. The Feral Swine Working Group shall act in an advisory capacity to the Wildlife Resources Commission. In developing the plan, the Working Group shall do all of the following:

- (1) Orient the plan primarily toward public health and safety and toward landowner assistance, providing some relief to landowners through feral swine control, management, and eradication.
- (2) Develop a system for sharing data and information as well as documenting all activities associated with feral swine damage control efforts, so as to facilitate evaluation of efforts.
- (3) Provide educational activities as a part of the program, such as printed materials, on-site instructions, and local workshops.
- (4) Provide for the hiring of personnel necessary to implement feral swine damage control activities, administer the program, and set salaries of personnel.

SECTION 2.(c) No later than January 1 of each year, the Working Group shall issue a report to the Wildlife Resources Commission, the Senate and House Appropriations Subcommittees on Agriculture and Natural and Economic Resources, and the Fiscal Research Division on the results of the program during the preceding year.

SECTION 2.(d) The Wildlife Resources Commission shall implement the plan and may enter a cooperative agreement with the Wildlife Services Division of the Animal and Plant Health Inspection Service, the United States Department of Agriculture, the North Carolina Department of Agriculture and Consumer Services, and other relevant agencies or organizations to accomplish the plan.

REPEAL VIOLATION POINTS SYSTEM APPLICABLE TO SWINE FARMS

SECTION 4. G.S. 143-215.6E is repealed.

SWINE FARM SITING ACT TECHNICAL CORRECTION

SECTION 5.(a) G.S. 106-803(a2) reads as rewritten:

"(a2) No component of a liquid animal waste management system for which a permit is required under ~~Part 1 or 1A~~ Part 1A of Article 21 of Chapter 143 of the General Statutes, other than a land application site, shall be constructed on land that is located within the 100-year floodplain."

SECTION 5.(b) G.S. 106-805 reads as rewritten:

"§ 106-805. Written notice of swine farms.

Any person who intends to construct a swine farm whose animal waste management system is subject to a permit under ~~Part 1 or 1A~~ Part 1A of Article 21 of Chapter 143 of the General Statutes shall, after completing a site evaluation and before the farm site is modified, notify all adjoining property owners; all property owners who own property located across a public road, street, or highway from the swine farm; the county or counties in which the farm site is located; and the local health department or departments having jurisdiction over the farm site of that person's intent to construct the swine farm. This notice shall be by certified mail sent to the address on record at the property tax office in the county in which the land is located. Notice to a county shall be sent to the county manager or, if there is no county manager, to the chair of the board of county commissioners. Notice to a local health department shall be sent to the local health director. The written notice shall include all of the following:

- (1) The name and address of the person intending to construct a swine farm.

- (2) The type of swine farm and the design capacity of the animal waste management system.
- (3) The name and address of the technical specialist preparing the waste management plan.
- (4) The address of the local Soil and Water Conservation District office.
- (5) Information informing the adjoining property owners and the property owners who own property located across a public road, street, or highway from the swine farm that they may submit written comments to the Division of Water Resources, Department of Environmental Quality."

AMEND ELIGIBILITY CRITERIA FOR ANIMAL WASTE FERTILIZER CONVERSION COST-SHARE PROGRAM

SECTION 6. Section 10.4(e) of S.L. 2023-134 reads as rewritten:

"SECTION 10.4.(e) Definitions. – The following definitions apply in this section:

- (1) Eligible entity. – Any person who owns or operates an anaerobic lagoon or other liquid animal waste management system treating animal waste from a livestock operation that generates sludge suitable for conversion into fertilizer ~~products~~products, or any person converting sludge from an anaerobic lagoon or other liquid animal waste management system treating animal waste from a livestock operation into fertilizer products.
- (2) Eligible project. – Costs associated with the site engineering, permitting, acquisition, or installation of sludge collection and processing equipment needed for production of fertilizers and other soil additives meeting applicable State and federal requirements for use in agricultural operations.
- (3) Foundation. – The NC Foundation for Soil and Water Conservation, Inc., a nonprofit corporation.
- (4) Livestock. – Cattle, sheep, swine, goats, farmed cervids, or bison.
- (5) Person. – Any individual, trust, estate, partnership, receiver, association, company, limited liability company, corporation, or other entity or group.
- (6) Program. – The Animal Waste Fertilizer Conversion Cost-Share Program created by this section."

REQUIRE A STATEWIDE STUDY ON SHELLFISH AQUACULTURE LEASING AND CURRENT MORATORIUMS ON SHELLFISH LEASING

SECTION 7.(a) Study. – The North Carolina Collaboratory (Collaboratory) shall conduct a comprehensive study on shellfish aquaculture regulations to ensure a balanced approach between economic development, environmental protection, and public access to coastal waters. The study shall evaluate all of the following:

- (1) The effectiveness of existing regulations and permitting governing shellfish aquaculture leases.
- (2) The history and policy bases for current permanent and temporary moratoriums and whether to lift or modify existing moratoriums or enact additional moratoriums on shellfish aquaculture leases.
- (3) Best practices from other states for managing shellfish aquaculture.
- (4) The economic impact of shellfish aquaculture expansion on coastal economies and tourism.
- (5) Potential and actual conflicts between shellfish aquaculture operations and private property values, commercial or recreational fishing, boating, and other coastal land and water uses.

- (6) Environmental considerations, including water quality, seagrass protection, and marine habitat impacts due to the presence or absence of shellfish aquaculture in various coastal habitats.
- (7) Regulatory, permitting, and environmental impact differences between bottom and column leases.
- (8) The role of local governments in shellfish aquaculture leases located in or adjacent to their jurisdictions.
- (9) Recommendations for a statewide framework on the regulation and permitting of shellfish aquaculture that benefits the industry and the State while mitigating conflicts with users of public trust waters.

SECTION 7.(b) Required Consultations. – In conducting its study, the Collaboratory shall consult with the North Carolina Division of Marine Fisheries, the Marine Fisheries Commission, and other stakeholders, including shellfish growers, commercial and recreational fishermen, property owners, and coastal area local governments.

SECTION 7.(c) Report. – The Collaboratory shall submit an interim report with preliminary findings to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources no later than December 1, 2026, and a final report, including any recommendations for legislative or regulatory changes, by May 1, 2027.

MODIFY REQUIREMENTS FOR COMPOSTING OF EQUINE AND BOVINE MORTALITY

SECTION 8.(a) Definitions. – For purposes of this section, "Disposal Systems Rule" means 15A NCAC 02T .0113 (Permitting By Regulation).

SECTION 8.(b) Disposal Systems Rule. – Until the effective date of the revised permanent rules that the Environmental Management Commission is required to adopt pursuant to subsection (d) of this section, the Commission shall implement the Disposal Systems Rule as provided in subsection (c) of this section.

SECTION 8.(c) Implementation. – Notwithstanding any provision of Subchapter 02T of Title 15A of the North Carolina Administrative Code, and in addition to all disposal systems permitted by regulation pursuant to subsection (a) of the Disposal Systems Rule on the date this section becomes effective, the Environmental Management Commission shall also deem a disposal system to be permitted pursuant to G.S. 143-215.1(b) and not require individual permits or coverage under a general permit if the disposal system meets all of the following criteria:

- (1) The disposal system is used for equine or bovine composting.
- (2) The disposal system does not result in any violations of surface water or groundwater standards.
- (3) The disposal system does not directly discharge to surface waters.
- (4) The construction and operation of facilities, if any are included in the disposal system, are approved by the North Carolina Department of Agriculture and Consumer Services.
- (5) The disposal system is approved by the State Veterinarian pursuant to G.S. 106-403.
- (6) In the event of an imminent threat of a contagious animal disease, any emergency measure or procedure related to composting of animal mortality pursuant to G.S. 106-399.4(a) is authorized.

SECTION 8.(d) Additional Rulemaking Authority. – The Commission shall adopt a rule to amend the Disposal Systems Rule consistent with subsection (c) of this section. Notwithstanding G.S. 150B-19(4), the amendment to the Disposal Systems Rule adopted by the Commission pursuant to this section shall be substantively identical to the provisions of subsection (c) of this section. Rules adopted pursuant to this section are not subject to Part 3 of

Article 2A of Chapter 150B of the General Statutes. Rules adopted pursuant to this section shall become effective as provided in G.S. 150B-21.3(b1), as though 10 or more written objections had been received as provided in G.S. 150B-21.3(b2). Rules adopted pursuant to this section are not subject to G.S. 150B-21.3(b3) and G.S. 150B-19.4, as enacted by S.L. 2025-82.

SECTION 8.(e) Sunset. – This section expires when permanent rules adopted as required by subsection (d) of this section become effective.

SECTION 8.(f) No Effect on Existing Exemptions. – Nothing in this section, or in any rule adopted pursuant to this section, shall be construed to modify, limit, repeal, condition, or otherwise affect any exemption from permitting or regulation applicable to a farming operation, silvicultural operation, or other agricultural activity under subdivision (f)(2) or (g)(2) of 15A NCAC 13B .1402.

ALLOW EXCUSED SCHOOL ABSENCES FOR EQUESTRIAN COMPETITIONS AND OTHER AGRICULTURAL EVENTS

SECTION 9. G.S. 115C-379 reads as rewritten:

"§ 115C-379. Method of enforcement.

(a) It shall be the duty of the State Board of Education to formulate the rules that may be necessary for the proper enforcement of the provisions of this Part. The Board shall prescribe (i) what shall constitute unlawful absence, (ii) what causes may constitute legitimate excuses for temporary nonattendance due to a student's physical or mental inability to attend or a student's participation in a valid educational opportunity such as service as a legislative page or a Governor's page, and (iii) under what circumstances teachers, principals, or superintendents may excuse pupils for nonattendance due to immediate demands of the farm or the home in certain seasons of the year in the several sections of the State.

(b) In addition to any excused absences authorized pursuant to subsection (a) of this section, the rules shall require school principals to authorize the following excused absences:

- (1) Religious observance. – A minimum of two excused absences each academic year for religious observances required by the faith of a student or the student's parent or legal guardian.
- (2) Military leave. – A minimum of two excused absences each academic year, if all of the following conditions are met:
 - a. The student's parent or legal guardian is an active duty member of the uniformed services, as defined by Article 29B of this Chapter, the Interstate Compact on Educational Opportunity for Military Children.
 - b. The student's parent or legal guardian has been called to duty for, is on leave from, or has immediately returned from deployment to a combat zone or combat support posting.
 - c. The student is not identified by the local school administrative unit as at risk of academic failure because of unexcused absences.
- (3) Equestrian and agricultural events. – A minimum of two excused absences each academic year for participation in equestrian sporting events, livestock shows, or similar agricultural events.

The rules may require that the student's parent or legal guardian give the principal written notice of the request for an excused absence a reasonable time prior to the religious ~~observance~~ or ~~military leave.~~ observance, military leave, or equestrian and agricultural event. The student shall be given the opportunity to make up any tests or other work missed due to an excused absence for a religious observance or military leave.

(c) It shall be the duty of all school officials to carry out such instructions from the State Board of Education, and any school official failing to carry out such instructions shall be guilty of a Class 3 misdemeanor: Provided, that the compulsory attendance law herein prescribed shall

not be in force in any local school administrative unit that has a higher compulsory attendance feature than that provided herein."

ADD NEW HANOVER AND PENDER TO HIGH HAZARD COUNTIES FOR OPEN BURNING

SECTION 10. G.S. 106-942 reads as rewritten:

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

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

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

...."

ALLOW PESTICIDE BOARD TO ADJUST ANNUAL ASSESSMENT FOR REGISTERED PESTICIDES

SECTION 11. G.S. 143-442 reads as rewritten:

"§ 143-442. Registration.

(a) Every pesticide prior to being distributed, sold, or offered for sale within this State or delivered for transportation or transported in intrastate commerce or between points within this State through any point outside this State shall be registered in the office of the Board, and such registration shall be renewed annually before January 1 for the ensuing calendar year. Beginning in 1988, the Board may by rule adopt a system of staggered three-year registrations. The applicant for registration shall file with the Board a statement that includes all of the following:

- (1) The name and address of the applicant and the name and address of the person whose name will appear on the label, if other than the applicant.
- (2) The name of the pesticide.
- (3) A complete copy of the labeling accompanying the pesticide and a statement of all claims to be made for it including directions for use.
- (4) If requested by the Board, a full description of the tests made and the results thereof upon which the claims are based.
- (5) In the case of renewal of registration, a statement with respect to information which is different from that furnished when the pesticide was last registered.
- (6) Repealed by Session Laws 2011-239, s. 1, effective June 23, 2011, and applicable to applications for registration or renewals of registration filed on or after that date.
- (7) Any other information needed by the Board to determine the amount of annual assessment payable by the applicant.

(b) The applicant shall pay an annual registration fee of one hundred fifty dollars (\$150.00) plus an additional annual assessment for each brand or grade of pesticide registered. The annual assessment shall be ~~fifty dollars (\$50.00) if the applicant's gross sales of the pesticide in this State for the preceding 12 months for the period ending September 30th were more than five thousand dollars (\$5,000.00) and twenty five dollars (\$25.00) if gross sales were less than five thousand dollars (\$5,000.00).~~ set by the Board, not to exceed one hundred twenty-five dollars (\$125.00). An additional two hundred dollars (\$200.00) delinquent registration penalty shall be

assessed against the registrant for each brand or grade of pesticide which is marketed in North Carolina prior to registration as required by this Article. In the case of multi-year registration, the annual fee and additional assessment for each year shall be paid at the time of the initial registration. The Board shall give a pro rata refund of the registration fee and additional assessment to the registrant in the event that registration is canceled by the Board or by the United States Environmental Protection Agency.

...."

LIQUID PETROLEUM GAS ENFORCEMENT AUTHORITY

SECTION 12. G.S. 119-57 reads as rewritten:

"§ 119-57. Administration of Article; rules and regulations given force and effect of ~~law.~~law; powers.

(a) It shall be the duty of the ~~Commissioner~~Commissioner, or agents of the Commissioner, to administer all the provisions of this Article and all the rules and regulations made and promulgated under this Article; to conduct inspections of liquefied petroleum gas containers and installations; to investigate for violations of this Article and the rules and regulations adopted pursuant to the provisions thereof, and to prosecute violations of this Article or of such rules and regulations adopted pursuant to the provisions thereof.

(b) When necessary for the enforcement of this Chapter or rules adopted pursuant to this Chapter, the Commissioner or the Commissioner's authorized agents shall have the authority to do all of the following:

- (1) Access the premises and records of any place where liquefied petroleum products are stored for the purpose of conducting an inspection or examining any documentation related to the transport, sale, safety, and storage of liquefied petroleum gases.
- (2) Issue stop-sale, hold, and removal orders for any equipment used to dispense, store, or transport liquefied petroleum gases that is found in violation of the provisions of this Chapter or rules adopted pursuant to this Chapter.
- (3) Recall for inspection a vehicle used for the delivery of liquefied petroleum gas."

PUBLIC WEIGHMASTER MODERNIZATION

SECTION 13.(a) G.S. 81A-52 reads as rewritten:

"§ 81A-52. License.

All public weighmasters shall be licensed. Any person not less than 18 years of age who wishes to be a public weighmaster shall apply to the Department on a form provided by the Department. A person operating as a public weighmaster outside of this State shall include with the person's application for licensure in this State a copy of the most recent weighing device inspection report performed by the person's local or state weights and measures officials within the 12-month period immediately preceding the date of application. The Board may adopt rules for determining the qualifications of the applicant for a license. Public weighmasters shall be licensed for a period of one year beginning the ~~first day of July and ending on the thirtieth day of June,~~day the application is processed, and a fee of ~~nineteen dollars (\$19.00) twenty-five dollars (\$25.00)~~ shall be paid for each person licensed at the time of the filing of the application."

SECTION 13.(b) G.S. 81A-54 reads as rewritten:

"§ 81A-54. Official seal of the public weighmaster.

(a) It shall be the duty of every public weighmaster to obtain ~~from the Department~~ an official seal ~~for the sum of six dollars (\$6.00), inscribed with the following words: that contains the following information:~~

- (1) ~~"North Carolina Public Weighmaster" and any other design or legend the Commissioner considers necessary.~~Weighmaster."

- (2) The weighmaster's name.
- (3) The assigned weighmaster license number.
- (4) The expiration date of the weighmaster license.

(b) The seal shall be stamped or impressed on every certificate issued pursuant to this Article. When an electronic stamp is used, the weighmaster's signature shall be captured using either of the following:

- (1) Software that requires the user to sign in prior to adding the electronic signature to the certificate.
- (2) An electronic signature pad that captures the signature live and then transfers it to the certificate.

(c) The weighers of tobacco in leaf tobacco warehouses may use, instead of the seal, their signatures in ink or other indelible substance posted in a conspicuous and accessible place in the warehouse. All seals remain the property of the State and shall be returned to the Commissioner upon termination of duties as a public weighmaster."

DIRECT AGRICULTURE AND FORESTRY AWARENESS STUDY COMMISSION TO STUDY LOW-HANGING COMMUNICATION LINES

SECTION 14. The Agriculture and Forestry Awareness Study Commission shall collect information on communication lines that fall below the minimum height requirement and create a public safety hazard, particularly to agricultural operations. In conducting the study, the Commission shall seek input from the Office of Broadband Infrastructure of the Department of Information Technology, telecommunications companies, agricultural trade associations, commodity organizations, electric cooperatives, electric utility companies, third-party contractors, and any other stakeholders the Commission deems necessary. The Commission shall report its findings, including any recommendations or proposed legislation, prior to the convening of the 2027 Regular Session of the General Assembly.

REDUCE PENALTY FOR CERTAIN SHELLFISH AQUACULTURE VIOLATIONS

SECTION 15.(a) G.S. 113-187 reads as rewritten:

"§ 113-187. Penalties for violations of Subchapter and rules.

(a) Any person who participates in a commercial fishing operation conducted in violation of any provision of this Subchapter and its implementing rules or in an operation in connection with which any vessel is used in violation of any provision of this Subchapter and its implementing rules is guilty of a Class A1 misdemeanor.

(b) Any owner of a vessel who knowingly permits it to be used in violation of any provision of this Subchapter and its implementing rules is guilty of a Class A1 misdemeanor.

(c) Any person in charge of a commercial fishing operation conducted in violation of any provision of this Subchapter and its implementing rules or in charge of any vessel used in violation of any provision of this Subchapter and its implementing rules is guilty of a Class A1 misdemeanor.

(d) Any person in charge of a commercial fishing operation conducted in violation of the following provisions of this Subchapter or the following rules of the Marine Fisheries Commission; and any person in charge of any vessel used in violation of the following provisions of the Subchapter or the following rules, shall be guilty of a Class A1 misdemeanor. The violations of the statute or the rules for which the penalty is mandatory are:

- (1) Taking or attempting to take, possess, sell, or offer for sale any oysters, mussels, or clams taken from areas closed by statute, rule, or proclamation because of suspected pollution.
- (2) Taking or attempting to take or have in possession aboard a vessel, shrimp taken by the use of a trawl net, in areas not opened to shrimping, pulled by a

vessel not showing lights required by G.S. 75A-6 after sunset and before sunrise.

- (3) Using a trawl net in any coastal fishing waters closed by proclamation or rule to trawl nets.
- (4) Violating the provisions of a special permit or gear license issued by the Department.
- (5) Using or attempting to use any trawl net, long haul seine, swipe net, mechanical methods for oyster or clam harvest or dredge in designated primary nursery areas.

(e) Any person who takes menhaden or Atlantic thread herring by the use of a purse seine net deployed by a mother ship and one or more runner boats in coastal fishing waters is guilty of a Class A1 misdemeanor.

(f) Notwithstanding subsection (a) or subdivision (d)(4) of this section, any person who operates a shellfish aquaculture operation who commits any of the following violations shall be punished as follows:

- (1) For an improperly marked shellfish lease area, a first offense shall be punishable only by issuance of a warning ticket pursuant to G.S. 113-140. A second offense within one month of the issuance of a warning ticket shall be punishable as an infraction as provided in G.S. 14-3.1. A third offense within one month of the issuance of a warning ticket shall be punishable as a Class 3 misdemeanor.
- (2) For operating under an expired aquaculture operation permit, if the violation occurs within one month of the expiration of the permit, the violation shall be punishable only by issuance of a warning ticket pursuant to G.S. 113-140.
- (3) For operating under an expired shellfish lease agreement, if the violation occurs within one month of the expiration of the agreement, the violation shall be punishable only by issuance of a warning ticket pursuant to G.S. 113-140."

SECTION 15.(b) This section becomes effective December 1, 2026, and applies to offenses committed on or after that date.

INCREASE PENALTY FOR A SECOND OR SUBSEQUENT OFFENSE FOR LARCENY OF CROPS AND FOR ROBBING OR INJURING AQUACULTURE OPERATIONS

SECTION 16.(a) G.S. 14-78 reads as rewritten:

"§ 14-78. Larceny of ungathered crops.

(a) ~~If it is unlawful for any person shall to steal or feloniously take and carry away any maize, corn, wheat, rice or other grain, or any cotton, tobacco, potatoes, peanuts, pulse, fruit, vegetable or other product cultivated for food or market, growing, standing or remaining ungathered in any field or ground, that person is guilty of a Class H felony.~~ground.

(b) A violation of this section is punishable as follows:

- (1) For a first offense under this section, the person is guilty of a Class H felony, punishable by a fine of not less than two hundred fifty dollars (\$250.00) in addition to any other punishment prescribed for the offense.
- (2) For a second or subsequent offense under this section, the person is guilty of a Class G felony, punishable by a fine of not less than five hundred dollars (\$500.00) in addition to any other punishment prescribed for the offense."

SECTION 16.(b) G.S. 113-218 reads as rewritten:

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

(a) Offense. – It is unlawful for any person, other than the holder of a lease issued under this Article, to take or attempt to take marine species being produced under the license and associated lease from any privately leased, franchised, or deeded marine aquaculture operation

without written authorization of the holder and with actual knowledge it is a marine aquaculture leased area. The written authorization shall include the lease number or deed reference, name and address of authorized person, date of issuance, and date of expiration, and it must be signed by the holder of the marine aquaculture rights. Actual knowledge will be presumed when the marine species are taken or attempted to be taken under either of the following circumstances:

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

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

- (1) For a first offense, the person is guilty of a Class H felony, punishable by a fine of not less than two hundred fifty dollars (\$250.00) in addition to any other punishment prescribed for the offense.
- (2) For a second or subsequent offense, the person is guilty of a Class G felony, punishable by a fine of not less than five hundred dollars (\$500.00) in addition to any other punishment prescribed for the offense."

SECTION 16.(c) G.S. 113-269 reads as rewritten:

"§ 113-269. Robbing or injuring hatcheries and other aquaculture operations.

(a) The definitions established in G.S. 106-758 are incorporated by reference into this section. ~~For the purposes of this section, a shellfish lease issued pursuant to G.S. 113-202 is defined as an aquaculture facility only when it has been amended pursuant to G.S. 113-202.1 to authorize use of the water column and when it is or has been regularly posted and identified in accordance with the rules of the Marine Fisheries Commission.~~

(b) It is unlawful for any person without the authority of the owner of an aquaculture facility to take fish or aquatic species being cultivated or reared by the owner from an aquaculture facility.

(c) It is unlawful for any person to receive or possess fish or aquatic species stolen from an aquaculture facility while knowing or having reasonable grounds to believe that the fish or aquatic species are stolen.

(d) It is unlawful for any person to willfully destroy or injure an aquaculture facility or aquatic species being reared in an aquaculture facility.

(e) Violation of ~~subsections (b) or~~ subsection (c) for fish or aquatic species valued at more than four hundred dollars (\$400.00) is punishable under G.S. 14-72. Violation of ~~subsections (b) or~~ subsection (c) for fish or aquatic species valued at four hundred dollars (\$400.00) or less is a Class 1 misdemeanor.

(f) Violation of subsection ~~(b) or~~ (d) is a ~~Class 1 misdemeanor~~ punishable as follows:

- (1) For a first offense, the person is guilty of a Class H felony, punishable by a fine of not less than two hundred fifty dollars (\$250.00) in addition to any other punishment prescribed for the offense.
- (2) For a second or subsequent offense, the person is guilty of a Class G felony, punishable by a fine of not less than five hundred dollars (\$500.00) in addition to any other punishment prescribed for the offense.

(g) In deciding to impose any sentence other than an active prison sentence, the sentencing judge shall consider and may require, in accordance with G.S. 15A-1343, restitution

to the victim for the amount of damage to the aquaculture facility or aquatic species or for the value of the stolen fish or aquatic species.

(h) The district attorney shall dismiss any case brought pursuant to subsections (b) and (c) if defendant produces a notarized written authorization for taking fish or aquatic species from the aquaculture facility or if the fish or aquatic species taken from a shellfish lease aquaculture facility was not a shellfish authorized for cultivation on the lease."

SECTION 16.(d) This section becomes effective December 1, 2026, and applies to offenses committed on or after that date.

ADD CERTAIN COMPOSTING FACILITIES TO THE DEFINITION OF "AGRICULTURE"

SECTION 17. G.S. 106-581.1 reads as rewritten:

"§ 106-581.1. Agriculture defined.

For purposes of this Article, the terms "agriculture", "agricultural", and "farming" refer to all of the following:

- ...
- (8) The production, processing, storage, use, and sale of compost for agricultural, residential, or commercial purposes by a permitted Small or Large Type 1, Type 2, or Type 3 composting facility as defined in rules adopted by the Environmental Management Commission. For the purposes of this section, compost means a product made from organic plant, animal, or food waste and created through controlled aerobic, biological decomposition of biodegradable materials that, when subject to mesophilic and thermophilic temperatures, stabilizes the carbon content, reduces the viability of pathogens and vector attraction, and when added to soils is beneficial to plant growth."

PROPANE ASSESSMENT AMENDMENTS

SECTION 18.(a) G.S. 119-63.4 reads as rewritten:

"§ 119-63.4. Referendum.

...

(c) The amount of the proposed assessment shall be stated on the referendum ballot. The amount may not exceed the maximum allowable rate of ~~two-tenths of one cent (\$.002)~~ three-tenths of one cent (\$.003) for each gallon of propane sold in this State by distributors to dealers.

...

(f) A proposed assessment shall become effective if more than ~~fifty percent (50%)~~ seventy-five percent (75%) of the eligible votes cast by dealers in the referendum are cast in favor of the assessment and if more than ~~fifty percent (50%)~~ seventy-five percent (75%) of the eligible votes cast by distributors in the referendum are cast in favor of the assessment. If the assessment is approved by the referendum, then the Foundation shall notify the Department and the Alliance of the amount of the assessment and the effective date of the assessment. The Department shall notify all distributors and dealers of the assessment."

SECTION 18.(b) G.S. 119-63.6(a) reads as rewritten:

"(a) The Foundation shall use the funds to promote the common good, welfare, and advancement of the propane industry, including, but not limited to, the following activities and programs: education, training, safety compliance, equipment replacement for low-income customers, marketing, advertising, promotion, workforce development, and customer rebates to encourage energy-efficient appliance and equipment purchases by residential, commercial, or agricultural consumers. The Foundation shall consult with the Alliance regarding its proposed use of the funds. In addition, the Foundation shall consult with agricultural industry trade

associations and other organizations representing agricultural consumers of propane to ensure that some programs and activities benefit the agriculture industry."

SECTION 18.(c) Subsection (a) of this section becomes effective January 1, 2027, and applies to referenda conducted on or after that date. The remainder of this section is effective when it becomes law.

EXEMPT BUILDINGS USED FOR PRODUCTION OF AGRICULTURAL PRODUCTS DERIVED FROM ANIMAL WASTE FROM BUILDING CODE AND COUNTY ZONING

SECTION 19.(a) G.S. 160D-903 reads as rewritten:

"§ 160D-903. Agricultural uses.

(a) Bona Fide Farming Exempt From County Zoning. – County zoning regulations may not affect property used for bona fide farm purposes; provided, however, that this section does not limit zoning regulation with respect to the use of farm property for nonfarm purposes. Except as provided in G.S. 106-743.4 for farms that are subject to a conservation agreement under G.S. 106-743.2, bona fide farm purposes include the production and activities relating or incidental to the production of crops, grains, fruits, vegetables, ornamental and flowering plants, dairy, livestock, poultry, and all other forms of agriculture, as defined in G.S. 106-581.1. Activities incident to the farm include existing or new residences constructed to the applicable residential building code situated on the farm occupied by the owner, lessee, or operator of the farm and other buildings or structures sheltering or supporting the farm use and operation. For purposes of this section, "when performed on the farm" in G.S. 106-581.1(6) includes the farm within the jurisdiction of the county and any other farm owned or leased to or from others by the bona fide farm operator, no matter where located. For purposes of this section, all of the following uses are bona fide farm purposes:

- (1) A building or structure that is used solely for storage of cotton, peanuts, or sweetpotatoes, or any byproduct of those commodities, is a bona fide farm purpose, including a building or structure on a property that does not have the documentation listed in subdivisions (1) through (4) of this subsection. For purposes of this section, a subsection (a1) of this section.
- (2) A facility that receives used turkey brooder litter from brooder farms and recycles the used litter by means of a drying process to reduce the moisture content of the litter sufficient to send the recycled litter to a turkey grow-out farm for reuse is a bona fide farm purpose. For purposes of this section, "when performed on the farm" in G.S. 106-581.1(6) includes the farm within the jurisdiction of the county and any other farm owned or leased to or from others by the bona fide farm operator, no matter where located. For purposes of this section, the reuse.
- (3) The production of a nonfarm product that the Department of Agriculture and Consumer Services recognizes as a "Goodness Grows in North Carolina" product that is produced on a farm subject to a conservation agreement under G.S. 106-743.2 is a bona fide farm purpose. G.S. 106-743.2.
- (4) A building or structure that is used for agritourism, if the building or structure is located on a property that (i) is owned by a person who holds a qualifying farm sales tax exemption certificate from the Department of Revenue pursuant to G.S. 105-164.13E(a) or (ii) is enrolled in the present-use value program pursuant to G.S. 105-277.3. Failure to maintain the requirements of this subdivision for a period of three years after the date the building or structure was originally classified as a bona fide farm purpose pursuant to this subsection subjects the building or structure to applicable zoning and development regulation ordinances adopted by a county pursuant to

G.S. 160D-702 in effect on the date the property no longer meets the requirements of this subsection. For purposes of this subsection, "agritourism" means any activity carried out on a farm or ranch that allows members of the general public, for recreational, entertainment, or educational purposes, to view or enjoy rural activities, including farming, ranching, historic, cultural, harvest-your-own activities, hunting, fishing, equestrian activities, or natural activities and attractions. A building or structure used for agritourism includes any building or structure used for public or private events, including, but not limited to, weddings, receptions, meetings, demonstrations of farm activities, meals, and other events that are taking place on the farm because of its farm or rural setting.

(5) A building or structure that is used solely for the production of agricultural products and commodities derived from animal waste, including fertilizers and biogas. This subdivision shall include a building or structure on a property that does not have the documentation listed in subdivisions (1) through (4) of subsection (a1) of this section.

(a1) For purposes of determining whether a property is being used for bona fide farm purposes, ~~purposes under subsection (a) of this section,~~ any of the following is sufficient evidence that the property is being used for bona fide farm purposes, but other evidence may also be considered:

- (1) A farm sales tax exemption certificate issued by the Department of Revenue.
- (2) A copy of the property tax listing showing that the property is eligible for participation in the present-use value program pursuant to G.S. 105-277.3.
- (3) A copy of the farm owner's or operator's Schedule F from the owner's or operator's most recent federal income tax return.
- (4) A forest management plan.

~~A building or structure that is used for agritourism is a bona fide farm purpose if the building or structure is located on a property that (i) is owned by a person who holds a qualifying farm sales tax exemption certificate from the Department of Revenue pursuant to G.S. 105-164.13E(a) or (ii) is enrolled in the present use value program pursuant to G.S. 105-277.3. Failure to maintain the requirements of this subsection for a period of three years after the date the building or structure was originally classified as a bona fide farm purpose pursuant to this subsection subjects the building or structure to applicable zoning and development regulation ordinances adopted by a county pursuant to G.S. 160D-702 in effect on the date the property no longer meets the requirements of this subsection. For purposes of this section, "agritourism" means any activity carried out on a farm or ranch that allows members of the general public, for recreational, entertainment, or educational purposes, to view or enjoy rural activities, including farming, ranching, historic, cultural, harvest your own activities, hunting, fishing, equestrian activities, or natural activities and attractions. A building or structure used for agritourism includes any building or structure used for public or private events, including, but not limited to, weddings, receptions, meetings, demonstrations of farm activities, meals, and other events that are taking place on the farm because of its farm or rural setting.~~

...."

SECTION 19.(b) G.S. 143-138(b4) reads as rewritten:

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

- (1) A "farm building" means any nonresidential building or structure that is used for a bona fide farm purpose as provided in G.S. 160D-903(a). A "farm building" shall include:

...

- d. A building used primarily for the storage of agricultural commodities or products or storage and use of materials for agricultural purposes, whether or not the building is located on the same property where the agricultural commodities or products were produced, provided the building is surrounded and adjoined by public ways and yards, as those terms are defined in the 2018 North Carolina Building Code, of not less than 60 feet in width. The owner of a qualifying building under this sub-subdivision shall post a placard on the front of the building. The placard shall be not less than 24 inches by 24 inches in size with a red background, white reflective stripes, and a white reflective border. The placard shall display the words "Ag. Exempt" in white reflective letters not less than 12 inches tall.

- e. A building used solely for the production of agricultural products and commodities derived from animal waste, including fertilizers and biogas, provided the building is surrounded and adjoined by public ways and yards, as those terms are defined in the 2018 North Carolina Building Code, of not less than 60 feet in width. The owner of a qualifying building under this sub-subdivision shall post a placard on the front of the building. The placard shall be not less than 24 inches by 24 inches in size with a red background, white reflective stripes, and a white reflective border. The placard shall display the words "Ag. Exempt" in white reflective letters not less than 12 inches tall.

...."

SECTION 19.(c) This section becomes effective July 1, 2026.

MODERNIZE SHELLFISH AND AQUACULTURE STATUTES

SECTION 20.(a) G.S. 106-758 reads as rewritten:

"§ 106-758. Definitions.

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

- (1) ~~"Aquaculture" means the~~ Aquaculture. – The propagation and rearing of aquatic species in controlled or selected environments, including, but not limited to, ocean ranching;
- (2) ~~"Aquaculture facility" means any~~ Aquaculture facility. – Any land, structure or other appurtenance that is used for aquaculture, including, but not limited to, any laboratory, hatchery, rearing pond, raceway, pen, incubator, or other equipment used in aquaculture;
- (3) ~~"Aquatic species" means any~~ Aquatic species. – Any species of finfish, mollusk, crustacean, shellfish, or other aquatic invertebrate, amphibian, reptile, or aquatic plant, and including, but not limited to, "fish" and "fishes" as defined in G.S. 113-129(7);
- (4) ~~"Commissioner" means the~~ Commissioner. – The Commissioner of Agriculture;
- (5) ~~"Department" means the~~ Department. – The North Carolina Department of Agriculture and Consumer Services.
- (6) Shellfish. – Mollusca, specifically including oysters, clams, mussels, and scallops."

SECTION 20.(b) G.S. 106-761 reads as rewritten:

"§ 106-761. Aquaculture facility registration and licensing.

(a) Authority. The North Carolina Department of Agriculture and Consumer Services shall regulate the production and sale of commercially raised freshwater fish and freshwater crustacean species. The Board of Agriculture shall promulgate rules for the registration of facilities for the production and sale of freshwater aquaculturally raised species. The Board may prescribe standards under which commercially reared fish may be transported, possessed, bought, and sold. The Department and Board of Agriculture authority shall be limited to commercially reared fish and shall not include authority over the wild fishery resource which is managed under the authority of the North Carolina Wildlife Resources Commission. The authority granted herein to regulate facilities licensed pursuant to this section does not authorize the Department of Agriculture and Consumer Services or the Board of Agriculture to promulgate rules that (i) are inconsistent with rules adopted by any other State agency; or (ii) exempt such facilities from the rules adopted by any other State agency.

(b) Species subject to this section. The following species are exempt from special restrictions on introduction of exotic species promulgated by the Wildlife Resources Commission except to prevent disease. All other species are prohibited from propagation and production unless the applicant for the permit first obtains written permission from the Wildlife Resources Commission.

- | | |
|--|--|
| (1) Bluegill | <u>Lepomis macrochirus</u> |
| (2) Redear Sunfish | <u>Lepomis microlophus</u> |
| (3) Redbreast Sunfish | <u>Lepomis auritus</u> |
| (4) Green Sunfish | <u>Lepomis cyanellus</u> |
| (5) Any hybrids using above species of the genus | <u>Lepomis</u> |
| (6) Black Crappie | <u>Pomoxis nigromaculatus</u> |
| (7) White Crappie | <u>Pomoxis annularis</u> |
| (8) Largemouth Bass | <u>Micropterus salmoides (northern strain)</u> |
| (9) Smallmouth Bass | <u>Micropterus dolomieu</u> |
| (10) White Catfish | <u>Ictalurus catus</u> |
| (11) Channel Catfish | <u>Ictalurus punctatus</u> |
| (12) Golden Shiner | <u>Notemigonus crysoleucas</u> |
| (13) Fathead Minnow | <u>Pimephales promelas</u> |
| (14) Goldfish | <u>Carassius auratus</u> |
| (15) Rainbow Trout | <u>Oncorhynchus mykiss</u> |
| (16) Brown Trout | <u>Salmo trutta</u> |
| (17) Brook Trout | <u>Salvelinus fontinalis</u> |
| (18) Common Carp | <u>Cyprinus carpio</u> |
| (19) Crayfish | <u>Procambarus species</u> |
| (20) <u>Striped Bass</u> | <u>Morone saxatilis</u> |
-"

ELIMINATE THE SHELLFISH CULTIVATION LEASE REVIEW COMMITTEE

SECTION 21.(a) G.S. 143B-289.57(f) is repealed.

SECTION 21.(b) G.S. 113-202(g) reads as rewritten:

"(g) After consideration of the public comment received and any additional investigations the Secretary orders to evaluate the comments, the Secretary shall notify the applicant in person or by certified or registered mail of the decision on the lease application. The Secretary shall also notify persons who submitted comments at the public hearing and requested notice of the lease decision. If the Secretary fails to act on an application for a lease within 365 days after the applicant has submitted all information required by the rules of the Marine Fisheries Commission

and accurately marked the proposed lease area, the application shall be deemed approved. An applicant or another person aggrieved who is dissatisfied with the Secretary's decision may commence a contested case by filing a petition under G.S. 150B-23 within 30 days after receiving notice of the Secretary's decision. In the event the Secretary's decision is a modification to which the applicant agrees, the lease applicant must furnish an amended map or diagram before the lease can be issued by the Secretary. ~~A person other than the applicant who is aggrieved by the Secretary's decision may file a petition for a contested case hearing only if the Shellfish Cultivation Lease Review Committee established pursuant to G.S. 143B-289.57(f) determines that a hearing is appropriate. A request for a determination of the appropriateness of a contested case hearing shall be made in writing and received by the Review Committee within 30 days after the disputed decision is made. A determination of the appropriateness of a contested case shall be made by the Review Committee within 90 days after a request for a determination is received and shall be based on whether the person seeking to commence a contested case:~~

- ~~(1) Has alleged that the decision is contrary to a statute or rule.~~
- ~~(2) Is directly affected by the decision.~~
- ~~(3) Has alleged facts or made legal arguments that demonstrate that the request for the hearing is not frivolous.~~

~~If the Review Committee determines that a contested case is appropriate, the petition for a contested case shall be filed within 30 days after the Review Committee makes its determination. A determination that a person may not commence a contested case is a final agency decision and is subject to judicial review under Article 4 of Chapter 150B of the General Statutes. If, on judicial review, the court determines that the Review Committee erred in determining that a contested case would not be appropriate, the court shall remand the matter for a contested case hearing under G.S. 150B-23 and final decision on the permit pursuant to G.S. 113A-122. Decisions in such cases shall be rendered pursuant to those rules, regulations, and other applicable laws in effect at the time of the commencement of the contested case.~~

~~The applicant or another person aggrieved by a final decision under this section may appeal the decision to the superior court of the county where the proposed lease or any part thereof is located, pursuant to the provisions of Chapter 150B of the General Statutes."~~

SECTION 21.(c) This section is effective when it becomes law and applies to contested cases filed on or after that date. Any cases pending before the Shellfish Cultivation Lease Review Committee on the effective date of this section may be refiled as a contested case by filing a petition under G.S. 150B-23 within 30 days after the effective date of this section.

REPEAL FARMED CERVID INDUSTRY PROMOTION ACT

SECTION 22. Article 86 of Chapter 106 of the General Statutes is repealed.

ADJUST TIMING OF REFUND REQUEST PERIOD FOR GRADE "A" DAIRY ASSESSMENT

SECTION 23.(a) G.S. 106-816.5(b) reads as rewritten:

"(b) A dairy producer may request a refund of the assessment collected under this Article for the previous calendar year by requesting in writing a refund form from the Association. The Association shall determine the contents of the refund form. The Association shall provide the dairy producer with a refund form within one week of receiving the dairy producer's request. After receiving the refund form from the Association, the dairy producer shall complete the form and provide proof of payment of the assessment to the Association no earlier than ~~December 15~~ January 15 and no later than ~~December 31~~ January 31 of a calendar year. The Association shall mail a refund to the dairy producer within 120 days of receipt of a properly completed and documented refund form."

SECTION 23.(b) This section is effective when it becomes law. Notwithstanding subsection (a) of this section, a refund requested between January 15, 2027, and January 31,

2027, shall be for the assessment collected for the period between December 1, 2025, and December 31, 2026.

EXTEND CONSERVATION TAX CREDIT SUNSET

SECTION 24.(a) Section 15(c) of S.L. 2024-32 reads as rewritten:

"**SECTION 15.(c)** This section is effective for taxable years beginning on or after January 1, 2025, for donations made on or after January 1, 2025, and expires for taxable years beginning on or after ~~January 1, 2027,~~ January 1, 2031, for donations made on or after ~~January 1, 2027,~~January 1, 2031."

SECTION 24.(b) Section 9.1(e) of S.L. 2025-4 reads as rewritten:

"**SECTION 9.1.(e)** This section is effective for taxable years beginning on or after January 1, 2025, for donations made on or after January 1, 2025, and expires for taxable years beginning on or after ~~January 1, 2027,~~ January 1, 2031, for donations made on or after ~~January 1, 2027,~~January 1, 2031."

SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 25. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this act that can be given effect without the invalid provision or application and, to this end, the provisions of this act are declared to be severable.

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

In the General Assembly read three times and ratified this the 11th day of June, 2026.

s/ Rachel Hunt
President of the Senate

s/ Donna McDowell White
Presiding Officer of the House of Representatives

Josh Stein
Governor

Approved _____m. this _____ day of _____, 2026