

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2019**

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**SENATE BILL 776**

Short Title: COVID-19 Small Farmer Relief. (Public)

Sponsors: Senators Smith, Foushee, and deViere (Primary Sponsors).

Referred to: Rules and Operations of the Senate

May 18, 2020

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO SUPPORT INNOVATIVE FOOD SUPPLY CHAIN INITIATIVES.

The General Assembly of North Carolina enacts:

**FOOD SUPPLY CHAIN INVESTMENTS**

**SECTION 1.(a)** The General Assembly finds that improvement and innovation in food preservation and processing techniques is a vitally important part of creating a more secure and resilient supply chain for the State's food supply. Funding of research in this area will improve the State's response both to the COVID-19 emergency and future catastrophes.

**SECTION 1.(b)** Transfer of Funds from Reserves to Relief Fund and Appropriation. – The State Controller shall transfer the sum of two million dollars (\$2,000,000) for the 2019-2020 fiscal year from the Reserve established in Section 2.1 of S.L. 2020-4 to the Coronavirus Relief Fund established in Section 2.2 of S.L. 2020-4. These funds are appropriated from the Fund to the Board of Governors of The University of North Carolina System on a nonrecurring basis to be allocated to North Carolina State University for the Food Processing Innovation Center (Center) housed at the North Carolina Research Campus for the purposes detailed in subsection (c) of this section. The funds appropriated in this subsection shall not revert at the end of the 2019-2020 fiscal year but shall remain available to expend until December 30, 2020.

**SECTION 1.(c)** Use of Funds. – Funds appropriated by this section may be used for equipment, supplies, and other nonrecurring expenses related to the Center's instant quick freeze research program and for initiatives related to the processing, preservation, and storage of food during emergencies that adversely impact the food supply chain.

**SECTION 1.(d)** Conflict with Federal Law. – If an allocation made under this act is found to be disallowed by federal law, the disallowed allocation is repealed, and the Board of Governors of The University of North Carolina System shall transfer the disallowed allocation to the Office of State Budget and Management (OSBM) and OSBM shall transfer the amount of the disallowed allocation to the Coronavirus Relief Reserve established in Section 2.1 of S.L. 2020-4. Amounts transferred into the Coronavirus Relief Reserve pursuant to this section are receipts that do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

**SECTION 2.** The sum of five million dollars (\$5,000,000) in nonrecurring funds for the 2020-2021 fiscal year is appropriated from the General Fund to the Board of Governors of The University of North Carolina System, to be allocated to North Carolina A&T State



1 University for the College of Agriculture and Environmental Sciences Extension and Farm  
2 Pavilion, part of the College's Community and Urban Food complex.

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4 **PARTNERSHIPS TO STRENGTHEN FOOD SUPPLY CHAIN RESILIENCY**

5 **SECTION 3.** The Department of Agriculture and Consumer Services shall establish  
6 partnerships to bring together nonprofit organizations that connect small family farms to food  
7 banks and to retail farmers markets and associated local Cooperative Extension Service offices.  
8 The partnerships will work to limit crop and livestock losses from supply chain interruptions due  
9 to COVID-19 and natural disasters.

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11 **TAX RELIEF FOR SMALL FARMERS**

12 **SECTION 4.(a)** G.S. 105-153.5(b) is amended by adding a new subdivision to read:  
13 "(14) Up to one hundred thousand dollars (\$100,000) of income that is derived from  
14 agricultural land, as defined in G.S. 105-277.2 and appraised, assessed, and  
15 taxed in accordance with G.S. 105-277.3."

16 **SECTION 4.(b)** This section is effective for taxable years beginning on or after  
17 January 1, 2020, and expires for taxable years beginning on or after January 1, 2021.

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19 **EFFECTIVE DATE**

20 **SECTION 5.** Except as otherwise specified, this act is effective when it becomes  
21 law.