

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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**SENATE BILL 401
House Committee Substitute Favorable 6/25/25**

Short Title: NC Farm Act of 2025.

(Public)

Sponsors:

Referred to:

March 25, 2025

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

The General Assembly of North Carolina enacts:

PART I. NORTH CAROLINA FARM ACT OF 2025

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 October 1, 2026, 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.



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- (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.

ALLOW DENIAL OF SPECIAL USE PERMITS FOR NEGATIVE IMPACT ON AGRICULTURAL PRODUCTION

SECTION 3. G.S. 160D-705(c) reads as rewritten:

"(c) Special Use Permits. – The regulations may provide that the board of adjustment, planning board, or governing board hear and decide special use permits in accordance with principles, conditions, safeguards, and procedures specified in the regulations. Reasonable and appropriate conditions and safeguards may be imposed upon these permits. Where appropriate, such conditions may include requirements that street and utility rights-of-way be dedicated to the public and that provision be made for recreational space and facilities. A board of adjustment, planning board, or governing board may deny a special use permit for a property that (i) is owned by a business entity and (ii) the business entity has owned the property for less than three years, on the basis that the proposed land use will have a negative impact on agricultural production within the local government's jurisdiction; provided, however, that such authority shall not apply where the primary purpose of the proposed land use is the construction of buildings or structures subject to the North Carolina Residential Code. Conditions and safeguards imposed under this

subsection shall not include requirements for which the local government does not have authority under statute to regulate nor requirements for which the courts have held to be unenforceable if imposed directly by the local government, including, without limitation, taxes, impact fees, building design elements within the scope of G.S. 160D-702(b), driveway-related improvements in excess of those allowed in G.S. 136-18(29) and G.S. 160A-307, or other unauthorized limitations on the development or use of land.

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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."

CLARIFY SPECIES SUSCEPTIBLE TO CHRONIC WASTING DISEASE

SECTION 7. G.S. 106-549.97 reads as rewritten:

"§ 106-549.97. Regulation by Department of Agriculture and Consumer Services of farmed cervids produced and sold for commercial purposes; definitions.

(a) Repealed by Session Laws 2015-263, s. 14(a), effective September 30, 2015.

(a1) The following definitions apply in this Article:

- (1) Commission. – The North Carolina Wildlife Resources Commission.
- (2) Department. – The North Carolina Department of Agriculture and Consumer Services.
- (3) Farmed Cervid. – Any cervid, as defined by the USDA Standards, that is susceptible to Chronic Wasting Disease, or any other member of the Cervidae family that is not susceptible to Chronic Wasting Disease, that is held in captivity and produced, bought, or sold for commercial purposes. Cervids that are susceptible to Chronic Wasting Disease are those set forth in 9 C.F.R. § 55.1. With regard to cervids that are susceptible to Chronic Wasting Disease, the term "farmed cervid" shall only include any cervid that was bred in captivity and has been continuously maintained within a herd that is enrolled in and complies with a USDA-approved Herd Certification Program. Any animal registered or tagged in any licensed captive cervid facility existing within the State as of July 1, 2015, is deemed to be a farmed cervid.
- (4) Non-Farmed Cervid. – All animals in the family Cervidae other than farmed cervids.
- (5) USDA. – The United States Department of Agriculture.
- (6) USDA Standards. – The United States Department of Agriculture's Chronic Wasting Disease Program Standards, May 2014 edition, and subsequent updates.

(a2) The Department of Agriculture and Consumer Services shall regulate the production, sale, possession, and transportation, including importation and exportation, of farmed cervids. The Department shall have sole authority with regard to farmed cervids, including administration of the North Carolina Captive Cervid Herd Certification Program. The Department shall allow the sale of farmed cervids, whether alive or dead, whole or in part, including, but not limited to, the sale of antlers, antler velvet, hides, or meat from captive populations of farmed cervids. The Department shall follow the USDA Standards and the provisions set forth in 9 C.F.R. Part 55 and 9 C.F.R. Part 81 in the implementation of this Article with regard to cervids susceptible to Chronic Wasting Disease. The Department may adopt rules to implement this Article, including, but not limited to, requirements for captivity licenses, captivity permits, transportation permits, importation permits, and exportation permits. The Department may issue new captivity licenses or permits for farmed cervid facilities that will hold cervids susceptible to Chronic Wasting Disease only if Chronic Wasting Disease-susceptible source animals are from a certified herd in

accordance with USDA Standards from an existing licensed facility. Nothing in this section shall limit the Department's ability to issue new captivity licenses and permits for farmed cervid facilities that will hold cervids that are not susceptible to Chronic Wasting Disease. Any cervid that is not susceptible to Chronic Wasting Disease as set forth in 9 C.F.R. § 55.1 may be imported into the State to any licensed captive cervid facility. The Department shall not issue an importation permit for any farmed cervid from a Chronic Wasting Disease-positive, exposed, or suspect farmed cervid facility. Until such time as the USDA has adopted an approved method of testing for Chronic Wasting Disease in living cervids, cervids susceptible to Chronic Wasting Disease shall not be imported into North Carolina.

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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).

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

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.

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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.

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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 2026 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, 2025, and applies to offenses committed on or after that date.

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

SECTION 15.5.(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 15.5.(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 15.5.(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, 2025, and a final report, including any recommendations for legislative or regulatory changes, by May 1, 2026.

INCREASE PENALTY FOR A SECOND OR SUBSEQUENT OFFENSE FOR LARCENY OF CROPS

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) This section becomes effective December 1, 2025, and applies to offenses committed on or after that date.

ADD CERTAIN COMPOSTING FACILITIES TO THE DEFINITION OF "AGRICULTURE"

SECTION 18. 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 19.(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 19.(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 19.(c) Subsection (a) of this section becomes effective January 1, 2026, and applies to referenda conducted on or after that date. The remainder of this section is effective when it becomes law.

APA EXEMPTION FOR RULES TO MODERNIZE WASTEWATER PERMITTING

SECTION 20.(a) Section 5.1 of S.L. 2024-44 is amended by adding a new subsection to read:

"**SECTION 5.1.(h)** Temporary and permanent rules adopted pursuant to this section are not subject to G.S. 150B-21.3(b1) and (b2)."

SECTION 20.(b) This section is effective retroactive to July 8, 2024.

ALLOW THE USE OF UNGRADED LUMBER IN CERTAIN CIRCUMSTANCES

SECTION 20.1.(a) Definitions. – For purposes of this section, the following definitions apply:

- (1) Dimension lumber. – Lumber that has not been grade-stamped under the authority of a lumber grading bureau.
- (2) Small mill. – A sawmill that mills less than 1,000,000 board feet of lumber per year.

SECTION 20.1.(b) The North Carolina Residential Code Council shall amend the North Carolina Residential Code in order to permit dimension lumber that has not been grade-stamped under the authority of a lumber grading bureau to be used in the construction of one- and two-family dwellings, when that use meets all of the following requirements:

- (1) The lumber is sold directly by the owner or employee of the sawmill that milled the lumber to the owner of the dwelling to be constructed or that person's authorized representative.
- (2) The dimension lumber meets or exceeds the requirements of the North Carolina Residential Code other than the requirements that only grade-stamped lumber be used in residential construction.
- (3) The operator of the sawmill has a certificate from a State-approved lumber grading training program, certifies that the lumber conforms with product and inspection standards under American Softwood Lumber Standard PS20, and marks the lumber with (i) the mill number, name, or abbreviation, (ii) the species or combination of species of the lumber, (iii) whether the lumber was dry or green when manufactured as required by American Softwood Lumber Standard PS20, and (iv) whether the lumber conforms with PS20 standards.
- (4) The appropriate code enforcement official reviews the framing of the dwelling to ensure that it meets the requirements of the North Carolina Residential Code in all respects other than the requirements that only grade-stamped lumber be used in residential construction. The code enforcement official shall not be liable for any structural failure that occurs as a result of the use of dimension lumber rather than grade-stamped lumber.

- (5) The sawmill provides to the purchaser a certificate containing all of the following information:
- a. A statement of the species of wood, quantity milled, and address where the lumber will be used.
 - b. The name of the sawmill operator certified pursuant to G.S. 143-138.2 who milled the lumber.
 - c. A certification that the lumber meets or exceeds the requirements of the North Carolina Residential Code with the exception that it has not been grade-stamped by an accredited lumber grading bureau.
 - d. The date of sale of the lumber.

SECTION 20.1.(c) The North Carolina Residential Code Council shall amend the North Carolina Residential Code and the North Carolina Building Code Council shall amend the North Carolina Building Code in order to permit dimension lumber that has not been grade-stamped under the authority of a lumber grading bureau to be used in the construction of one- and two-family dwellings and structures classified as Residential Group R-2 or R-3, when that use meets all of the following requirements:

- (1) The lumber is sold directly by the owner or employee of a small mill or a mobile sawmill that milled the lumber to the owner of the structure to be constructed or that person's authorized representative.
- (2) The dimension lumber meets or exceeds the requirements of the North Carolina Residential Code or the North Carolina Building Code, as applicable, other than the requirements that only grade-stamped lumber be used in residential construction.
- (3) The operator of the small mill or mobile sawmill has a certificate from a State-approved lumber grading training program, certifies that the lumber conforms with product and inspection standards under American Softwood Lumber Standard PS20, and marks the lumber with (i) the mill number, name, or abbreviation, (ii) the species or combination of species of the lumber, (iii) whether the lumber was dry or green when manufactured as required by American Softwood Lumber Standard PS20, and (iv) whether the lumber conforms with PS20 standards.
- (4) The appropriate code enforcement official reviews the framing of the structure to ensure that it meets the requirements of the North Carolina Residential Code or the North Carolina Building Code, as applicable, in all respects other than the requirements that only grade-stamped lumber be used in residential construction. The code enforcement official shall not be liable for any structural failure that occurs as a result of the use of dimension lumber rather than grade-stamped lumber.
- (5) The small mill or mobile sawmill provides to the purchaser a certificate containing all of the following:
 - a. A statement of the species of wood, quantity milled, and address where the lumber will be used.
 - b. The name of the sawmill operator certified pursuant to G.S. 143-138.2 who milled the lumber.
 - c. A certification that the lumber meets or exceeds the requirements of the North Carolina State Building Code with the exception that it has not been grade-stamped by an accredited lumber grading bureau.
 - d. The date of sale of the lumber.

SECTION 20.1.(d) The Residential Code Council and Building Code Council shall adopt temporary rules to implement the requirements of this section no later than 180 days after

the effective date of this section. The Residential Code Council and Building Code Council shall also adopt permanent rules to replace the temporary rules.

SECTION 20.2.(a) Article 9 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-138.2. Lumber grading training program.

(a) The North Carolina Cooperative Extension Service shall establish a basic lumber grading training program for individuals and establish the general requirements for successfully completing the training program, including requirements for initial certification and for recertification. The North Carolina Cooperative Extension Service shall offer the training program at least annually. The Extension Forestry staff, in cooperation with the staff of the North Carolina Forest Service, shall develop and establish the content of the training program, determine the certification requirements for instructors teaching the training program, and determine the criteria for determining successful completion of the training program. Instructors shall be approved by the North Carolina Cooperative Extension Service.

(b) The North Carolina Cooperative Extension Service may, in its discretion, authorize one or more private lumber grading training programs, provided that the content of the private programs and certification requirements for instructors and criteria for successful completion of the training program are at least as stringent as the program offered by the North Carolina Cooperative Extension Service. An authorized private training program may issue initial certifications and recertifications.

(c) An individual holding an initial certification from the program established by subsection (a) of this section, from a private program authorized under subsection (b) of this section, or from a State-approved lumber grading program in another state who mills lumber in this State shall be recertified under the training program every five years.

(d) An individual who holds an initial certification from the program established by subsection (a) of this section, from a private program authorized under subsection (b) of this section, or from a State-approved lumber grading program in another state shall register with the North Carolina Forest Service before selling lumber that has not been grade-stamped under the authority of a lumber grading bureau directly to the owner of a structure for use in construction of the structure."

SECTION 20.2.(b) The North Carolina Cooperative Extension Service shall establish the basic lumber grading training program no later than 180 days after the effective date of this section.

SECTION 20.3. G.S. 160D-1110 is amended by adding a new subsection to read:

"(b1) For a structure constructed with lumber that has not been grade-stamped under the authority of a lumber grading bureau, a building permit applicant shall submit with the building permit application all of the following:

- (1) A statement of the species of wood, quantity, and address where the lumber will be used.
- (2) The name of the sawmill operator certified pursuant to G.S. 143-138.2 who milled the lumber.
- (3) A certification that the lumber meets or exceeds the requirements of the North Carolina State Building Code with the exception that it has not been grade-stamped by an accredited lumber grading bureau.
- (4) The date of sale of the lumber."

SECTION 20.4. Section 20.1 of this act is effective when it becomes law and expires when the Residential Code Council and Building Code Council have issued permanent rules substantially similar to Sections 20.1(b) and 20.1(c) of this act and notified the Codifier of Statutes that it has done so. Section 20.3 of this act becomes effective on the date that the temporary rules required to be adopted by the Residential Code Council and Building Code Council by Section 20.2 of this act become effective.

AUTHORIZE USE OF CERTAIN SUBSURFACE DISPERSAL PRODUCTS FOR WASTEWATER STORAGE AND DISPERSAL IN TRAFFIC-RATED AREAS UNDER PRIVATE OPTION PERMITS

SECTION 20.5. G.S. 130A-343 is amended by adding a new subsection to read:

"(j3) Authorize Certain Subsurface Dispersal Products for Use in Traffic-Rated Areas Under Private Option Permits. – A wastewater dispersal product approved pursuant to this section shall be approved for use in wastewater storage and dispersal under areas subject to vehicular traffic and traffic-bearing loads if a professional engineer, licensed pursuant to Chapter 89C of the General Statutes, certifies that the product has been designed with a compatible load rating and the product manufacturer has approved the product for use in traffic-rated areas. Wastewater permits issued pursuant to this subsection shall be issued by a professional engineer, licensed pursuant to Chapter 89C of the General Statutes, under G.S. 130A-336.1, or by an Authorized On-Site Wastewater Evaluator under G.S. 130A-336.2. For the purposes of this section, "traffic-rated areas" does not include Department of Transportation rated areas but does include driveways and private parking areas with impervious or pervious pavement areas."

REQUIRE APPROVAL FROM COUNTY COMMISSIONERS FOR ANNEXATION OF CERTAIN PROPERTY

SECTION 20.6.(a) G.S. 160A-58.2 reads as rewritten:

"§ 160A-58.2. Public hearing.

(a) Upon receipt of a petition for annexation under this Part, the city council shall cause the city clerk to investigate the petition, and to certify the results of his investigation. If the clerk certifies that upon investigation the petition appears to be valid, the council shall fix a date for a public hearing on the annexation. Notice of the hearing shall be published once at least 10 days before the date of hearing.

(b) At the hearing, any person residing in or owning property in the area proposed for annexation and any resident of the annexing city may appear and be heard on the questions of the sufficiency of the petition and the desirability of the annexation. If the council then finds and determines that (i) the area described in the petition meets all of the standards set out in G.S. 160A-58.1(b), (ii) the petition bears the signatures of all of the owners of real property within the area proposed for annexation (except those not required to sign by G.S. 160A-58.1(a)), (iii) the petition is otherwise valid, and (iv) the public health, safety and welfare of the inhabitants of the city and of the area proposed for annexation will be best served by the annexation, the council may adopt an ordinance annexing the area described in the petition. The ordinance may be made effective immediately or on any specified date within six months from the date of passage.

(c) Notwithstanding the provisions of subsection (b) of this section, prior to the public hearing, the city council shall direct the city planning department to consult with the planning department of the county with jurisdiction over the area proposed for annexation to determine whether zoning the area for residential use will increase the number of students attending public school in the county to more than one hundred percent (100%) of the county's current capacity, if the area meets all of the following:

(1) Is agricultural land, forestland, or horticultural land, as defined in G.S. 105-277.2, or has been enrolled in present use value taxation within the previous three calendar years.

(2) Is not contiguous to the city's primary corporate limits.

(3) Is not within the city's extraterritorial planning jurisdiction.

(d) If the planning department finds that zoning the area for residential use will increase the number of students as provided in subsection (c) of this section, the board of county commissioners with jurisdiction over the area must approve the annexation prior to the city

council adopting the annexation ordinance. If the board of county commissioners does not approve the annexation, the city council may not proceed with the adoption of the annexation ordinance unless it agrees to pay the county the amount necessary to come back into compliance with school capacity."

SECTION 20.6.(b) This section applies only to counties with a population of 150,000 residents or more as of the most recent federal decennial census.

SECTION 20.6.(c) This section becomes effective July 1, 2025, and applies to petitions for annexation received on or after that date.

PART II. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 21. 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 22. Except as otherwise provided, this act is effective when it becomes law.