

determining which applicants shall be awarded grant funds, the Advisory Committee shall consider all of the following criteria:

- (1) The geographic area of the State that an applicant serves or would serve and the need for large animal veterinary services in that area of the State.
- (2) The number of designated counties that an applicant serves or would serve.
- (3) The number of different large animal veterinarian specialties in which the applicant practices.
- (4) The percentage of time the applicant devotes to large animal veterinary services.
- (5) Any additional criteria the Advisory Committee determines to be appropriate.

(d) Uses of Grant Funds. – The grant recipient may use the funds to support the recipient's large animal veterinary practice, including any of the following:

- (1) The repayment of educational loans related to the recipient's veterinary degree.
- (2) The purchase of equipment or technology for use in the recipient's large animal veterinary practice.
- (3) Any additional uses the Advisory Committee determines is appropriate to promote and develop large animal veterinarians to practice in designated counties.

(e) Limitations. –The Advisory Committee shall review applicants on an annual basis to determine eligibility under the criteria developed under subsection (c) of this section. The Advisory Committee shall also review each recipient of grant funds at the end of each fiscal year. A recipient whose veterinary license expires, is revoked, or is suspended during the fiscal year in which the grant is awarded, or who fails to practice large animal veterinary medicine in the designated counties named in the recipient's application, shall repay the amount received from the Fund.

(f) Report. – The Agricultural Finance Authority shall report no later than October 1 each year to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division of the General Assembly regarding the implementation of this section during the previous fiscal year. The report shall include a list of the recipients of grants from the Fund for the previous fiscal year, the amount of the grants received, how recipients used awarded grant funds, and whether any awarded funds were required to be repaid by recipients."

SECTION 10.1.(c) The Agricultural Finance Authority, in consultation with the Large Animal Healthcare Enhancement Advisory Committee established by G.S. 106-1073, as enacted by subsection (b) of this section, shall adopt temporary rules to implement this section as soon as practicable and shall concurrently begin adopting permanent rules to replace the temporary rules.

SECTION 10.1.(d) This section is effective when it becomes law.

NORTH CAROLINA AGRICULTURE MANUFACTURING AND PROCESSING INITIATIVE

SECTION 10.2.(a) Findings and Purpose. – The General Assembly finds that the lack of capacity for value-added processing of agricultural commodities near the farms where those commodities are produced in the State creates competitive disadvantages to North Carolina farmers by imposing increased transportation costs to remote commodity processing facilities and presenting economic barriers to farmers who wish to participate in the market for higher profit margin processed food products. The General Assembly further finds that grants to increase agricultural processing opportunities in the State will create jobs and increase local property tax bases in this State, will benefit agricultural and farming operations in the State with decreased costs and increased profit options, and are consistent with promoting agricultural operations, a

vital sector of the State's economy. The purpose of this section is to fund and promote the establishment of value-adding agricultural manufacturing and food processing facilities across the State to fill existing gaps in the processing of agricultural products and to create a diverse and economically competitive array of high value-added goods and products manufactured in this State from agricultural products grown or produced in this State.

SECTION 10.2.(b) Establishment. – There is created within the Department of Agriculture and Consumer Services (Department), the North Carolina Agricultural Manufacturing and Processing Initiative (NCAMPI). Funds allocated to NCAMPI by this section will be used for the following activities:

- (1) Up to five hundred thousand dollars (\$500,000) of funds in the first year of the program for the Department to engage independent industry-recognized experts to identify and assess opportunities to increase value-added processing of commodities produced in the State and address categorical or geographical gaps in agricultural manufacturing and processing. The Department shall use a portion of the funds allocated by this subdivision up to one hundred thousand dollars (\$100,000) to identify and assess opportunities and gaps for the dairy industry in the State.
- (2) Up to two hundred fifty thousand dollars (\$250,000) of the funds provided in each year of the program for the Department to market and recruit agricultural manufacturing and processing facilities to fill identified gaps in access to such facilities by North Carolina farmers based on the assessment described in subdivision (1) of this subsection.
- (3) Remaining NCAMPI funds to provide grants to local governments and nonprofit economic development entities to support the creation or expansion of agricultural manufacturing facilities. Grant funds may be used for site development, infrastructure costs (including water, wastewater, or transportation improvements), building construction or rehabilitation costs, or equipment. As a part of the application, applicants must demonstrate in a manner determined by the Department that they have applied for or otherwise sought other sources of applicable funding for the proposed project. New facilities and expansions of existing facilities will be eligible for grants under this subdivision. Shared-use facilities and incubators are ineligible for grants under this subdivision. Before entering into a grant agreement, the Department must find that the total benefits of the project to the State outweigh its anticipated costs and render the grant appropriate for the project.

SECTION 10.2.(c) Administration of Initiative. – In consultation with the nonprofit corporation with which the Department of Commerce contracts pursuant to G.S. 143B-431.01(b), the Department shall develop guidelines related to the administration of NCAMPI. The guidelines shall require a finding that a grant under this section is necessary for the construction or expansion of a facility to be used by a business entity (as that term is defined in G.S. 55-1-40) that will engage in agricultural manufacturing or processing activities in this State. At least 20 days before the effective date of any guidelines or nontechnical amendments to the guidelines, the Department shall publish the proposed guidelines on its website and provide notice to persons who have requested notice of proposed guidelines. In addition, the Department shall accept oral and written comments on the proposed guidelines and shall, in its discretion, consider those comments before finalizing the guidelines. Guidelines adopted under this section shall not be subject to the requirements of Article 2A of Chapter 150B of the General Statutes and shall include all of the following:

- (1) Criteria for evaluating grant applicants, including job creation, concentration of production of the agricultural product the facility will process in proximity to the proposed location, and reductions in (i) transportation costs and (ii)

- 1 estimated damage rates for agricultural products created as a result of greater
2 geographical proximity to the proposed manufacturing or processing facility.
3 (2) Criteria for determining grant eligibility, the amounts of awards, not to exceed
4 five million dollars (\$5,000,000) per facility, and the required cost-share for
5 grant recipients. The Department may consider the economic development tier
6 of the county of a grant recipient under G.S. 143B-437.08 in setting cost-share
7 amounts.

8 **SECTION 10.2.(d) Report.** – Until all funds allocated by this section have been
9 expended, the Department shall annually report no later than October 1 on NCAMPI activities
10 during the prior fiscal year to the chairs of the Joint Legislative Oversight Committee on
11 Agriculture and Natural and Economic Resources and the Fiscal Research Division. The report
12 shall include, at a minimum, all of the following:

- 13 (1) Total amount of grants awarded.
14 (2) A list of award recipients and the amount awarded to each recipient.
15 (3) Matching funds required and provided by grant recipients.
16 (4) Activities to ready sites and associated costs.
17 (5) Any major employers located at an improved or acquired site.
18 (6) Any unallocated amount for grants remaining in the NCAMPI Fund.
19 (7) Assessment of additional remaining needs for agricultural manufacturing and
20 processing facilities in the State.

21 **SECTION 10.2.(e) Funding.** – Of the funds appropriated from the interest earned in
22 the State Fiscal Recovery Reserve to the Department of Agriculture and Consumer Services, the
23 sum of ten million dollars (\$10,000,000) in nonrecurring funds for the 2023-2024 fiscal year and
24 the sum of ten million dollars (\$10,000,000) in nonrecurring funds for the 2024-2025 fiscal year
25 shall be used for NCAMPI. Notwithstanding any provision of G.S. 143C-1-2(b) to the contrary,
26 these funds shall not revert at the end of the fiscal year in which they are appropriated but shall
27 remain available for the purposes set forth in this section. The Department may use up to five
28 percent (5%) of the funds allocated by this section for administrative costs of program
29 administration.
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31 **FARMERS APPRECIATION DAY FUNDS**

32 **SECTION 10.3.** Of the funds appropriated to the Department of Agriculture and
33 Consumer Services, the sum of two hundred fifty thousand dollars (\$250,000) in nonrecurring
34 funds for the 2023-2024 fiscal year shall be used as a directed grant for North Carolina State
35 Grange, Inc., a nonprofit corporation, (NC Grange) to develop a plan to raise awareness of and
36 promote the first annual North Carolina Farmers Appreciation Day. These funds shall be
37 disbursed to NC Grange at the discretion of the Department upon the request of NC Grange for
38 that purpose and shall be subject to Section 5.3(b)(4) of this act.
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40 **ANIMAL WASTE FERTILIZER CONVERSION COST-SHARE PROGRAM**

41 **SECTION 10.4.(a) Funding.** – Funds appropriated in this act to provide a directed
42 grant to the NC Foundation for Soil and Water Conservation, Inc., a nonprofit corporation, shall
43 be used to establish a cost-share program for statewide deployment of processes and technologies
44 developed for conversion of animal waste to fertilizer through the Foundation's Innovative
45 Livestock Waste Management programs.

46 **SECTION 10.4.(b) Program.** – The program shall provide cost-share grants for
47 eligible projects with grant funding limited to one grant for eligible projects associated with any
48 particular liquid animal waste management system. Application processes and criteria for the
49 award of grants shall be determined by the Foundation.