

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

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**HOUSE BILL 1201**

Short Title: Local Meat Processors Grant Program. (Public)

Sponsors: Representatives Elmore and Howard (Primary Sponsors).

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Agriculture, if favorable, Appropriations, if favorable, Rules, Calendar, and Operations of the House

May 27, 2020

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FUNDING FOR GRANTS TO SMALL AND INDEPENDENT MEAT PROCESSORS TO ALLEVIATE NEGATIVE FOOD SUPPLY CHAIN IMPACTS DUE TO THE COVID-19 PANDEMIC.

The General Assembly of North Carolina enacts:

**SECTION 1.** Findings. – The General Assembly finds that the COVID-19 emergency has resulted in serious and substantial impacts on the food supply chain. In particular, small livestock producers in the State have found that bottlenecks and lack of capacity among the small and independent meat processors who serve small livestock producers due to COVID-19 related slowdowns and capacity reductions have had a substantial negative impact on their ability to have their animals slaughtered and processed. The General Assembly further finds that financial assistance to these processors is necessary in order to reduce disruptions in the supply chain for fresh meat and to help small producers get their product to market.

**SECTION 2.(a)** Transfer of Funds from Reserves to Relief Fund. – The State Controller shall transfer the sum of twenty-five million dollars (\$25,000,000) for the 2019-2020 fiscal year from the Coronavirus Relief 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.

**SECTION 2.(b)** Appropriation of Funds from Relief Fund. – There is appropriated from the Fund to the Department of Agriculture and Consumer Services the sum of twenty-five million dollars (\$25,000,000) in nonrecurring funds for the 2019-2020 fiscal year to be allocated and used as provided in Section 3 of this act. The funds appropriated in this section shall not revert at the end of the 2019-2020 fiscal year but shall remain available to expend until December 30, 2020.

**SECTION 3.** Allocation of Funds. – The funds appropriated by Section 2 of this act shall be allocated to the North Carolina Department of Agriculture and Consumer Services (Department) to provide grants to certain meat processing facilities as specified in this section that are experiencing slowdowns in production or have limited capacity to accommodate increased demand for meat processing due to the COVID-19 pandemic. These funds may only be used for purposes consistent with the April 22, 2020, "Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments" provided by the United States Department of the Treasury or with any subsequent act of Congress. The Department shall develop policies and procedures for the disbursement of grants that includes, at a minimum, the following:

- (1) Grant eligibility shall be limited to meat processing plants that meet both of the following requirements:



- 1 a. The plant contracts with independent livestock producers to process  
2 animals owned by the producers.  
3 b. The United States Department of Agriculture contracts with  
4 Department inspectors to conduct federal inspection activities  
5 authorized by the Talmadge-Aiken Act of 1962 (7 U.S.C. § 1633) at  
6 the plant, or the plant is a State-inspected facility.

7 (2) Grants shall be used only for facility expansion, fixtures, on-site job training,  
8 or equipment that will expand animal throughput, processing capacity, the  
9 amount or type of products produced, or processing speed.

10 (3) The Department may prioritize projects that will create additional jobs at the  
11 facility.

12 (4) The Department may set grant maximums and appropriate and uniform  
13 matching requirements to maximize the number of facilities receiving  
14 assistance and the removal of meat supply chain limitations.

15 **SECTION 4.** Report. – The Department shall report to the Joint Legislative  
16 Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal  
17 Research Division by October 1, 2020, on its distribution of the funds appropriated by this act  
18 and by February 1, 2021, on the use of funds by recipients.

19 **SECTION 5.** Grant-Supported Property Transferred or Removed from Service. – As  
20 used in this section, the term "disposed of" means disposed of, taken out of service, or moved out  
21 of State. If fixtures or equipment purchased with funds provided by this act is disposed of during  
22 a period of time as the Department may specify following the date the fixtures or equipment  
23 funded by this act is placed in service, the grant recipient shall repay to the Department a  
24 proportionate share of the grant funding received as the Department may specify.

25 Funds received by the Department under this section shall be transferred to the Office  
26 of State Budget and Management (OSBM) and OSBM shall transfer the amount of the disallowed  
27 allocation to the Reserve established in Section 2.1 of S.L. 2020-4. Amounts transferred into the  
28 Coronavirus Relief Reserve pursuant to this section are receipts that do not constitute an  
29 "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North  
30 Carolina Constitution.

31 **SECTION 6.** Conflict with Federal Law. – If an allocation made under this act is  
32 found to be disallowed by federal law, then Section 2 of this act is repealed, and the Department  
33 shall transfer the disallowed allocation to the Office of State Budget and Management (OSBM)  
34 and OSBM shall transfer the amount of the disallowed allocation to the Reserve established in  
35 Section 2.1 of S.L. 2020-4. Amounts transferred into the Coronavirus Relief Reserve pursuant to  
36 this section are receipts that do not constitute an "appropriation made by law," as that phrase is  
37 used in Section 7(1) of Article V of the North Carolina Constitution.

38 **SECTION 7.** This act is effective when it becomes law.