

**Conference Committee Report**  
**Session Law 2017-57 (S. B. 257), 2017 Appropriations Act**  
**Selected Highlights for**  
**Agriculture and Natural and Economic Resources**

The FY 2017-19 budgets for the Agriculture and Natural and Economic Resources (ANER) agencies include net appropriations of \$587.8 million in FY 2017-18 and \$549.9 million in FY 2018-19, which is \$45.9 million (8.5%) and \$8.0 million (1.5%) above each year's base budget respectively.

The following selected ANER highlights may be found in **Section H** of the 2017 Conference Committee Report (page and item numbers noted); selected special provisions may be found in **Part XII through XV-A** of S.B. 257 (section references noted):

**Department of Agriculture and Consumer Services (DACS)**  
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- Provides the North Carolina Forest Service with \$2.3 million nonrecurring for firefighting equipment and \$200,000 nonrecurring for hemlock restoration efforts. **(Page H-7, Items #6 & #7)**
- Provides \$200,000 nonrecurring to keep the Linville River Nursery open. **(H-7, #8)**
- Provides \$3.2 million nonrecurring for the Mountain Island Educational State Forest. **(H-8, #9)**
- Provides \$1.5 million, \$1.3 million of which is nonrecurring, for international, domestic, and food-specific marketing. **(H-8, #10, #11, & #12)**
- Provides \$900,000 nonrecurring for the Tobacco Trust Fund. **(H-9, #15)**
- Provides \$2 million nonrecurring for the Agricultural Development and Farmland Preservation Trust Fund, of which \$25,000 is for a new Beehive Grant Program. **(H-9, #16)**
- Provides \$250,000 nonrecurring to hire outside counsel to intervene in litigation over the Waters of the United States rule. **(H-10, #19; Sec. 12.2)**

Provisions from S.B. 257

- Allows the Forest Service to redirect overestimated disaster funds for wildfire relief to assist with disaster-related flooding of swine farms. **(Sec. 12.9)**

**Department of Labor (DOL)**  
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- Provides \$200,000 to support increased IT costs. **(H-22, #27)**
- Provides \$500,000 to increase Occupational Safety and Health salaries. **(H-22, #28)**

## **Department of Environmental Quality (DEQ)**

### Conference Committee Report

- Extends the Reorganization Through Reduction program to generate recurring savings of over \$1 million. **(H-29, #32; Sec. 13.26)**
- Eliminates 1 FTE out of each of the 7 Regional Offices and budgets \$175,000 in receipts to help offset a recurring reduction to net appropriation of \$500,000. **(H-31, #40)**
- Consolidates the Utility Savings Initiative from the Division of Environmental Assistance and Customer Service into the Energy Office and reduces the combined entity by \$200,000 and 2 FTE. **(H-30, #36; H-31, #41; Sec. 13.26)**
- Supports the State's oyster and shellfish industries by providing funding for oyster sanctuaries and cultch planting. **(H-31, #43 & #44)**

### Provisions from S.B. 257

- Establishes guidelines for the creation of the Beneficiary Mitigation Plan required to receive funds from the Volkswagen environmental mitigation trust. **(Sec. 13.2)**
- Sets aside \$1 million nonrecurring from the Inactive Hazardous Sites Cleanup Fund for the repurposing of the Phoenix Recycling site by the City of Havelock. **(Sec. 13.3)**
- Directs DEQ to create a program to allow private landowners to remove their properties from the State's pre-regulatory hazardous waste program. **(Sec. 13.4)**
- Directs DEQ to study the feasibility of the State purchasing one or more dredges. **(Sec. 13.8)**
- Ensures DEQ is in compliance with federal legislation related to the administration of hunting and fishing license revenue so that the Division of Marine Fisheries may continue to receive certain U.S. Fish and Wildlife Service grants. **(Sec. 13.15)**
- Extends the Mercury Switch Removal program to June 30, 2021. **(Sec. 13.21)**
- Earmarks \$6.2 million nonrecurring in water and wastewater grants for six entities. **(Sec. 13.22)**
- Extends the period for DEQ to test and study in situ nutrient management strategies in Jordan and Falls Lakes. **(Sec. 13.24)**
- Directs DEQ and the Department of Health and Human Services (DHHS) to study the transfer of functions related to private well inspection and permitting from DHHS back to DEQ. **(Sec. 13.25)**

## **Wildlife Resources Commission (WRC)**

### Conference Committee Report

- Reduces net appropriation, shifting operating expenses to receipts, by approximately 4.4% in FY 2017-18, increasing to 8.4% in FY 2018-19. **(H-43, #57)**

### Provisions from S.B. 257

- Directs WRC to use funds available to repair the roof and stabilize the tower at Mattamuskeet Lodge. **(Sec. 13A.1)**

- Reduces from 50% to 25% the amount of the interest from the endowment that is required to be budgeted and authorizes the State Treasurer to invest WRC's endowment in private equities. **(Sec. 13A.2)**
- Allows WRC to increase hunting, fishing, trapping, and activity licenses by the total, not average, change in the Consumer Price Index for All Urban Consumers (CPI-U) over the period of time since the last fee change. **(Sec. 13A.3)**

## **Department of Commerce and Commerce State Aid**

### Conference Committee Report

- Provides an additional \$39.1 million for economic development:
  - Provides \$4 million, \$3.5 million of which is nonrecurring, for tourism and business advertising. **(H-50-51, #64 & #65)**
  - Provides \$3 million nonrecurring for the Lift Fan Facility project at Cherry Point Marine Corps Air Station. **(H-53, #75)**
  - Provides \$5 million nonrecurring for the revitalization of a historic mill in the Town of Haw River. **(H-53, #76; Sec. 15.9A)**
  - Provides \$9.6 million nonrecurring for revitalization and economic development grants across the State. **(H-53, #78; Sec. 15.8, S.L. 2017-197, Sec. 4.8)**
  - Provides \$500,000 nonrecurring to Main Street Solutions. **(H-54, #79)**
  - Provides \$2 million nonrecurring for the NC Ready Sites program supporting infrastructure development for large publicly-controlled manufacturing sites. **(H-54, #80)**
  - Provides \$15 million in FY 2017-18 and \$31 million in FY 2018-19 for the Film and Entertainment Grant. **(L 8, #9)**
- Moves the Industrial Commission to the Department of Insurance and provides \$2.7 million nonrecurring for a consolidated case management system and \$550,000 nonrecurring for legal counsel, both partially funded with over-realized receipts. **(H-51, Items #67 & #69, H-52, #70; Secs. 15.18, 15.19, & 15.19A)**
- Moves the Apprenticeship program to the Community Colleges. **(H-54, #81; Sec. 15.13)**
- Provides a \$200,000 increase to High Point Market Authority. **(H-68, #82)**
- Provides \$2.5 million nonrecurring to the Carolina Small Business Development Fund. **(H-68, #84)**

### Provisions from S.B. 257

- Allocates CDBG funds for the FY 2017-19 Biennium to Neighborhood Revitalization, Economic Development, and Infrastructure. **(Sec. 15.1)**
- Creates the ability to respond to a transformative investment opportunity, which would require business investments of at least \$4 billion and the creation of at least 5,000 jobs. **(Sec. 15.15A)**

## Department of Natural and Cultural Resources (DNCR)

### Conference Committee Report

- Increases funding for most DNCR grant programs. (**H-79, #103; H-81, #112; H-82, #113 & #114; H-84, #123; H-86, #131**)
- Provides specific grants to local history museums, arts organizations, parks, and libraries across the State. (**H-81, #109 & #111; H-82, #115; H-85, #124; H-87, #132; S.L. 2017-197, Secs. 4.4(c) & 4.6, respectively**)
- Provides \$200,000 in FY 2017-18, which increases to \$366,253 in FY 2018-19, and 2 FTE to ensure compliance with credit card security standards. (**H-78, #99**)
- Provides \$185,000 and 2 FTE to aid in compliance with the requirements of G.S. 121-6. (**H-79, #102**)
- Increases operating support as follows:
  - \$2.35 million, \$250,000 of which is nonrecurring in each year of the biennium, for the Museum of Art and Art Park. (**H-79, #104; S.L. 2017-197, Sec. 4.5**)
  - \$426,000, \$135,000 of which is nonrecurring, for the Museum of History and the Maritime Museums. (**H-80, #105-108**)
  - \$350,000 nonrecurring for the NC Symphony (**H-82, #116**).
  - \$250,000 and 4 FTE for historic sites maintenance. (**H-85, #126**)

### Provisions from S.B. 257

- Redirects reports from all ANER agencies from the Joint Legislative Commission on Governmental Operations to the Joint Legislative Oversight Committee on ANER and makes other clarifying changes to a variety of reports. (**Sec. 14.1**)
- Adds the North Carolina Zoological Park to the list of agencies exempted from the Umstead Act for purpose of sales of food and tourism-related items. (**Sec. 14.6**)
- Abolishes the Roanoke Island Commission and grants its powers and duties to the Roanoke Island Historic Association. (**Sec. 14.8**)
- Allows for a museum in a rural census tract of a Tier 2 or Tier 3 county to be provided a grant as if the museum were in a Tier 1 county. (**Sec. 14.11**)
- Designates funds within the CWMTF and PARTF for specific projects. (**Secs. 14.13, 14.14, & 14.17**)