

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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HOUSE BILL 296

Short Title: Corn Farmer Recovery Act - Phase I. (Public)

Sponsors: Representatives B. Jones, Penny, Brisson, and Cairns (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

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

March 6, 2025

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH A CORN FARMERS RECOVERY ACT AND TO APPROPRIATE
FUNDS FOR THAT PURPOSE.

The General Assembly of North Carolina enacts:

PART I. LEGISLATIVE FINDINGS

SECTION 1.1. The North Carolina General Assembly makes the following findings for corn farming in 2024:

- (1) Corn farming is a cornerstone of North Carolina's agricultural economy, with approximately 900,000 acres dedicated to its cultivation and generating over seven hundred fifty-six million nine hundred thousand dollars (\$756,900,000) in cash receipts. Thousands of farmers rely on corn production to support livestock feed, ethanol, and food processing industries.
- (2) In 2024, North Carolina's corn farmers faced unprecedented challenges due to extreme weather events, including severe drought, excessive rainfall, and multiple hurricanes. These disasters resulted in widespread crop losses, infrastructure damage, and significant financial strain on farm operations.
- (3) The United States Department of Agriculture issued multiple secretarial disaster declarations covering affected counties, recognizing the devastating impact on corn production. While federal assistance has provided some relief, additional State support is necessary to aid recovery and ensure future resilience.
- (4) North Carolina's corn farmers have demonstrated resilience by adopting conservation practices and improved farming techniques. However, targeted investment in disaster relief, infrastructure, and research is essential to stabilize the industry and protect the State's agricultural economy.

PART II. TRANSFERS AND APPROPRIATIONS

SECTION 2.1.(a) Transfer. – The State Controller shall transfer the sum of eighty-nine million five hundred eight thousand seven hundred ninety-two dollars (\$89,508,792) from the State Emergency Response and Disaster Relief Fund to the Department of Agriculture and Consumer Services (Department).

SECTION 2.1.(b) Appropriation. – The funds transferred in subsection (a) of this section are appropriated to the Department for the 2024 Agricultural Disaster Corn Crop Loss Program, as established in Part III of this act. These funds and remaining funds from Section



1 5.9A(c)(2) of S.L. 2021-180 and Section 5.4(a)(4)a. of S.L. 2022-74 shall be used to assist
2 farmers in counties designated by the United States Department of Agriculture as agricultural
3 disasters that occurred during 2024 in this State.
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5 **PART III. 2024 AGRICULTURAL DISASTER CORN CROP LOSS PROGRAM**

6 **SECTION 3.1.(a)** Agricultural Disaster Corn Crop Loss Program. – The 2024
7 Agricultural Disaster Corn Crop Loss Program is established within the Department of
8 Agriculture and Consumer Services. The Program shall be used to provide financial assistance
9 to farmers with verified losses of corn from an agricultural disaster in this State in 2024. The
10 Department may use up to one percent (1%) of funds allocated for the Program for administrative
11 purposes. To be eligible for financial assistance for losses of corn, a person must satisfy all of the
12 following criteria:

- 13 (1) The person experienced a verifiable loss of corn, as a result of an agricultural
14 disaster in 2024, and the person's farm is located in an affected area for the
15 respective agricultural disaster.
- 16 (2) The corn was planted but not harvested on or before the eligibility date. For
17 purposes of this subsection, the term "eligibility date" refers to the date of the
18 disaster set forth in the Secretarial declaration for the county in which the corn
19 is located and for which verifiable losses are claimed.

20 **SECTION 3.1.(b)** Verification of Loss. – A person seeking financial assistance for
21 losses of corn under the Program shall submit to the Department a Form 578 on file with the
22 USDA Farm Service Agency or a form provided by the Department for reporting acreage or
23 plantings of corn crops or loss that is not typically reported on Form 578, along with any other
24 documentation deemed appropriate by the Department, no later than 45 days after this section
25 becomes effective. For corn crops where the survival level is not immediately known, the
26 Department may extend this deadline by an additional 45 days, upon written request by the person
27 received no later than 45 days after this section becomes effective and upon approval by the
28 Department. A person receiving assistance under this Program must provide a signed affidavit,
29 under penalty of perjury, certifying that each fact of the loss presented by the person is accurate.

30 **SECTION 3.1.(c)** Criteria. – The Department shall administer the financial
31 assistance program authorized by this section in accordance with the following criteria:

- 32 (1) In determining the payment calculation for corn, the Department shall use a
33 formula based on acreage, county loss estimates, USDA National Agricultural
34 Statistics Service averages, and any other measure the Department deems
35 appropriate. Funds shall be distributed based on county averages for yields
36 and State averages for price. Calculations shall be based on county or State
37 averages in price, whichever the Department determines is appropriate.
- 38 (2) The Department shall gather all claim information, except from those
39 applicants granted a deadline extension, no later than 45 days after this section
40 becomes law. The Department shall, as closely as possible, estimate the
41 amount of the funds needed to be held in reserve for payments related to losses
42 of corn crops for which losses will not be fully known or calculated. The
43 Department shall set aside funds as it deems appropriate based on the
44 estimated percentage of these losses.
- 45 (3) Payments made under this Program shall be made to the person who filed the
46 Form 578 or Department form for claims related to corn losses.

47 **SECTION 3.1.(d)** Audit. – The Department may audit the financial and other records
48 of each recipient of funds in order to ensure that the funds are used in accordance with the
49 requirements of this Program. The Department may require any documentation or proof it
50 considers necessary to efficiently administer this Program, including the ownership structure of
51 each entity and the social security numbers of each owner. In order to verify losses, the

1 Department may require the submission of dated, signed, and continuous records. These records
2 may include, but are not limited to, commercial receipts, settlement sheets, warehouse ledger
3 sheets, pick records, load summaries, contemporaneous measurements, truck scale tickets,
4 contemporaneous diaries, appraisals, ledgers of income, income statements of deposit slips, cash
5 register tape, invoices for custom harvesting, u-pick records, and insurance documents.

6 **SECTION 3.1.(e)** Expenditure of Awarded Funds. – Awarded funds shall be used
7 for agricultural production expenses and recovery of losses due to the impacts of an agricultural
8 disaster in 2024. The Department shall develop guidelines and procedures to ensure that funds
9 are expended for the purposes allowed by this section and may require any documentation it
10 determines necessary to verify the appropriate use of financial assistance awards, including
11 receipts. All distributed funds are subject to federal and State income tax.

12 **SECTION 3.1.(f)** Refund of Award. – If a person receives financial assistance under
13 this Program for which the person is ineligible, or if the amount of the financial assistance
14 received is based on inaccurate information, the person forfeits the assistance awarded under this
15 section and is liable for the amounts received. Assistance forfeited under this section shall bear
16 interest at the rate determined in accordance with G.S. 105-241.21 as of the date of receipt until
17 repaid. Financial assistance forfeited but not paid shall be collected by a civil action in the name
18 of the State, and the recipient shall pay the cost of the action. The Attorney General, at the request
19 of the Commissioner of Agriculture, shall institute the action in the proper court for the collection
20 of the award forfeited, including interest thereon.

21 **SECTION 3.1.(g)** Definitions. – For purposes of this section, the following
22 definitions apply:

- 23 (1) Agricultural disaster. – A secretarial disaster designation declared by the
24 United States Department of Agriculture Secretary for qualifying counties in
25 this State.
- 26 (2) Corn. – A cereal plant of the grass family (*Zea mays*) and an edible grain.
- 27 (3) Department. – The Department of Agriculture and Consumer Services.
- 28 (4) Person. – Any individual, trust, estate, partnership, receiver, association,
29 company, limited liability company, corporation, or other entity or group.
- 30 (5) Program. – The 2024 Agricultural Disaster Corn Crop Loss Program.

31 **SECTION 3.1.(h)** Program Reporting Requirement. – The Department shall submit
32 a report to the Fiscal Research Division no later than the first day of the month six months after
33 this section becomes effective, and every six months thereafter until all funds are expended or
34 the Program expires, containing, at a minimum, all of the following data:

- 35 (1) The number of applicants and the county in which the person incurred the
36 verified loss.
- 37 (2) The number and amount of grants awarded.
- 38 (3) The geographic distribution of the grants awarded.
- 39 (4) The total amount of funding available to the Program, the total amount
40 encumbered, and the total amount disbursed to date.
- 41 (5) Any refunds made to the Program pursuant to subsection (f) of this section.

42 **SECTION 3.1.(i)** Expiration and Reversion. – The Program shall expire 30 months
43 after this section becomes effective. Any funds allocated to the Program not expended or
44 encumbered by that date shall revert to the State Emergency Response and Disaster Relief Fund.

45 **PART IV. EFFECTIVE DATE**

46 **SECTION 4.1.** This act is effective when it becomes law.
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