



This Bill Analysis reflects the contents of the bill as it was presented in committee.

HOUSE BILL 121: Clarify EQIP Funding Requirements.

2021-2022 General Assembly

Committee:	House Agriculture. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	March 3, 2021
Introduced by:	Rep. K. Hall	Prepared by:	Chris Saunders
Analysis of:	PCS to First Edition H121-CSTQ-4		Committee Co-Counsel

OVERVIEW: *The Proposed Committee Substitute (PCS) for House Bill 121 would exclude EQIP grants from a 50% match limitation on nonfederal funds for water resource development grants for specific appropriations. The PCS eliminates several directives applicable to EQIP projects from the first edition.*

CURRENT LAW AND BACKGROUND: S.L. 2020-79 (H1087) appropriated \$30,799,314 in nonrecurring funds to the Division of Water Resources in the Department of Environmental Quality to provide a State match for approximately \$89,396,979 in federal funds for water resources development projects. Funds from previous fiscal years were also carried forward to supplement these funds.

Funds appropriated for a water resources development project by that act and funds appropriated prior to the 2019-2021 fiscal biennium that are unencumbered and proposed to be carried forward are limited to no more than 50% of the nonfederal portion of funds for the project. The limitation on fund usage applies only to projects in which at least one local government participates.

Section 36.3(e) of S.L. 2013-360, Section 36.2(e) of S.L. 2014-100, and Section 31.3(e) of S.L. 2015-241 each apply the same 50% match limitation to water resources development projects funded by appropriations in those acts. (S.L. 2013-360, S.L. 2014-100, and S.L. 2015-241 are the 2013, 2014, and 2015 Appropriations Acts.)

Generally, G.S. 143-215.71(8) allows water resources development grants for projects that are part of the Environmental Quality Incentives Program ("EQIP") to cover 100% of the nonfederal costs of the project. That subdivision was enacted in the 2016 Appropriations Act, S.L. 2016-94.

BILL ANALYSIS: The PCS for House Bill 121 would provide that the 50% match limitations do not apply to any water resources development grant awarded for a project that is part of EQIP, including grants awarded pursuant to S.L. 2013-360, S.L. 2014-100, and S.L. 2015-241.

Additionally, the PCS would clarify that a single project consists of all landowners and other participants under a project design contract approved by the United States Department of Agriculture's Natural Resource Conservation Service under the EQIP program along a continuous stretch of stream.

EFFECTIVE DATE: This act would be effective when it becomes law.

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