



HOUSE BILL 62: Farmers Protection Act.

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

2025-2026 General Assembly

Committee:	House Agriculture and Environment. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	March 12, 2025
Introduced by:	Reps. N. Jackson, Dixon, Balkcom, Gillespie	Prepared by:	Chris Saunders
Analysis of:	PCS to First Edition H62-CSTQ-7		Committee Counsel

OVERVIEW: *The Proposed Committee Substitute (PCS) to House Bill 62 would prohibit State chartered banks, credit unions, savings and loan associations, and savings banks from denying or canceling its services to an agriculture producer based on environmental, social, and governance factors (ESG) and create a civil penalty of \$10,000 for any violation.*

The PCS makes the following changes from the First Edition:

- *Modifies the definition of "agriculture producer" by removing the phrase "for retail consumption."*
- *Modifies the definition of "ESG commitment."*
- *Changes the evidentiary standard for a bank to overcome the presumption that a bank's denial, restriction, or cancellation of service to an agriculture producer from "clear and convincing evidence" to the lower "by a preponderance of the evidence" standard.*
- *Deletes the requirement for banks to attest annually that they are in compliance with this section.*
- *Deletes a subsection that would have made violations of this section an unfair or deceptive trade practice.*

BILL ANALYSIS:

Section 1 of the PCS would add a new G.S. 53C-6-21 in Article 6 of Chapter 53C of the General Statutes to do the following:

- Define "agriculture producer" and "ESG commitment."
- Prohibit State chartered banks from denying or canceling its service to an agriculture producer based, in whole or part, on the agriculture producer's greenhouse gas emissions, use of fossil-fuel derived fertilizer, or use of fossil-fuel powered machinery.
- Provide that if a State chartered bank has made any ESG commitment related to agriculture, there is a rebuttable presumption that the bank's denial, restriction, or cancellation of service to an agriculture producer violates the section. A rebuttable presumption may be overcome by a

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preponderance of the evidence that the denial or restriction of service is based on financial considerations rather than ESG commitments.

- Provide that the Commissioner or an agriculture producer may bring a civil action to seek an injunction or civil penalty. Each violation may result in a \$10,000 civil penalty. The clear proceeds of civil penalties would be remitted to the Civil Penalty and Forfeiture Fund.

Section 2 would make the act applicable to a State savings and loan association.

Section 3 would make the act applicable to a State savings bank.

Section 4 would make the act applicable to a credit union and would authorize the Administrator to bring a civil action to seek an injunction or civil penalty to enforce the act.

EFFECTIVE DATE: This act would become effective when it becomes law and apply to acts committed on or after that date.

Ike McRee, counsel to the House Judiciary 1 Committee, substantially contributed to this summary.