

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021**

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**HOUSE BILL 121**

Short Title: Clarify EQIP Funding Requirements. (Public)

Sponsors: Representative K. Hall.

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

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

February 23, 2021

A BILL TO BE ENTITLED  
AN ACT TO CLARIFY FUNDING OF CERTAIN WATER RESOURCES PROJECTS  
UNDER THE ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

The General Assembly of North Carolina enacts:

**SECTION 1.** Subsection 11(f) of S.L. 2020-79 reads as rewritten:

**"SECTION 11.(f) Maximum Share.** – Notwithstanding any provision of law to the contrary, funds appropriated for a water resources development project shall be used to provide no more than fifty percent (50%) of the nonfederal portion of funds for the project. This subsection applies to funds appropriated in this act and to funds appropriated prior to the 2019-2021 fiscal biennium that are unencumbered and proposed for reallocation to provide the nonfederal portion of funds for water resources development projects. The limitation on fund usage contained in this subsection applies only to projects in which a local government or local governments participate. This subsection shall not apply to, and there shall be no local match required for, the Environmental Quality Incentives Program (EQIP). Furthermore, 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 shall not apply to funds made available as part of EQIP in any fiscal year, including prior years. The following additional definitions and directives apply to EQIP projects:

(1) For purposes of this subsection, (i) a single project shall consist of all the landowners and other participants under a project design contract approved by the Natural Resource Conservation Service under the EQIP program along a contiguous stretch of stream and (ii) an EQIP project is considered funded when the applicant is working with a partner who has a project agreement or statement of work with the Natural Resources Conservation Service of the United States Department of Agriculture (NRCS), the NRCS has approved the project agreement, and the local Soil and Water Conservation District Board has approved a resolution sponsoring the project.

(2) Any remaining balance of funds appropriated for EQIP projects shall be paid out to each of the original grantees for the full grant award amount, except that the Secretary may retain ten percent (10%) of the State share of funding until the Natural Resources Conservation Service of the United States Department of Agriculture has provided a final practice approval for the project.

(3) The Secretary shall exempt projects funded under the Program from (i) any local matching requirement, (ii) review under G.S. 143-215.72, or (iii) any



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1                                    additional review, guidelines, or reimbursement payment policies under the  
2                                    Water Resources Development Grant Program."  
3                                    **SECTION 2.** This act is effective when it becomes law.