

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2001**

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**HOUSE BILL 1426**

Short Title: Regulate Experimental Tobacco. (Public)

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Sponsors: Representatives Hill; Allen, Buchanan, Church, Coates, Culp, Davis, Eddins, Fox, Hurley, Mitchell, Oldham, Owens, Teague, Wainwright, Warner, Warren, and Weatherly.

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Referred to: Agriculture, if favorable, Finance.

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May 7, 2001

A BILL TO BE ENTITLED

AN ACT TO REGULATE THE PRODUCTION, PROCESSING, STORING, SALE,  
TRANSPORTATION, AND POSSESSION OF EXPERIMENTAL TOBACCO.

The General Assembly of North Carolina enacts:

**SECTION 1.** Chapter 106 of the General Statutes is amended by adding a new Article to read:

"Article 70.

"Regulation of Experimental Tobacco.

**"§ 106-830. Legislative findings; purpose.**

The production, processing, and sale of tobacco and tobacco products make a significant contribution to the State's economy. Fifty percent (50%) of the tobacco produced in North Carolina is exported to foreign countries. The presence of experimental leaf tobacco in the same channels of trade as commercially accepted leaf tobacco could have significant adverse effects on the sale of North Carolina tobacco, thereby harming North Carolina tobacco farmers, warehouses, dealers, workers, and others who indirectly benefit from tobacco production. It is the purpose of this Article to regulate the production, processing, and movement of experimental tobacco to ensure that experimental tobacco is not commingled with other tobacco.

**"§ 106-831. Definitions.**

As used in this Article, the following definitions apply:

(1) 'Commissioner' means the Commissioner of Agriculture or any employee of the Department of Agriculture and Consumer Services designated by the Commissioner of Agriculture.

(2) 'Experimental tobacco' means any tobacco that is or has been subject to regulation by the United States Department of Agriculture under the

1 provisions of 7 Code of Federal Regulations, Part 340 (January 1,  
2 1998).

3 **"§ 106-832. License required.**

4 Any person who intends to grow, process, store, sell, transport, or otherwise possess  
5 experimental tobacco first must obtain a license from the Commissioner. The applicant  
6 shall submit to the Commissioner a completed application form provided by the  
7 Commissioner and an application fee of one hundred dollars (\$100.00). The application  
8 shall include all of the following information:

9 (1) The applicant's name.

10 (2) The applicant's address.

11 (3) All locations where the applicant intends to grow, process, store, sell,  
12 transport, or otherwise possess experimental tobacco.

13 **"§ 106-833. Bond required.**

14 An application for a license under G.S. 106-832 shall be accompanied by a bond in  
15 the amount of one million dollars (\$1,000,000) issued by a company authorized to issue  
16 surety bonds in North Carolina. The bond shall be conditioned upon the licensee  
17 complying with this Article. Any person who suffers financial loss as the result of the  
18 commingling of experimental tobacco with other tobacco may bring an action upon the  
19 bond in the name of the State, without any assignment thereof. Recovery upon the bond  
20 under this section does not preclude or limit recovery of damages under any common  
21 law remedies available in this State. The bond requirement under this section does not  
22 apply to The University of North Carolina and its constituent institutions.

23 **"§ 106-834. Commingling of tobacco prohibited.**

24 A person who has obtained a license under G.S. 106-832 shall not permit the  
25 commingling of experimental tobacco with any other tobacco.

26 **"§ 106-835. Powers of Commissioner.**

27 The Commissioner may enter, during normal business hours, any premises where  
28 experimental tobacco is grown, processed, stored, sold, transported, or otherwise  
29 possessed, for the purpose of determining whether a person is complying with this  
30 Article. A person who has obtained a license under G.S. 106-832 shall make available  
31 to the Commissioner any records related to the production, processing, storing, sale,  
32 transportation, or possession of experimental tobacco.

33 **"§ 106-836. Violation; penalty.**

34 Any person who violates any provision of this Article shall be guilty of a Class 2  
35 misdemeanor."

36 **SECTION 2.** This act becomes effective January 1, 2002, and applies to  
37 experimental tobacco, as defined in G.S. 106-831, as enacted by Section 1 of this act,  
38 that is grown, processed, stored, sold, transported, or otherwise in a person's possession  
39 on or after that date.