



NC Rural Counts 2021 State Legislative Session Recap

The 2021 legislative session delivered historic investment to rural North Carolina with over 185 bills signed into law and a combined \$52 billion appropriated in the 2021-2023 FYS budget. The below provides a comprehensive analysis of the budget items and legislation moved this session related to each of the five [Rural Counts Advocacy Priorities](#) and the NC Rural Center's [NC's New Small Business Plan](#). For more information, please follow us on Twitter at [@RuralCounts](#) and visit our live [Legislative Tracker](#) for policy updates related to rural North Carolina.

Expand Accessible, Affordable High-Speed Broadband

2021-2023 FYS Budget:

- Provides \$380 million to the **NC Growing Rural Economies with Access to Technology (GREAT)** Program through [\\$350 million](#) in ARPA funding and [\\$30 million](#) in state funding. This established program is run by the state Broadband Infrastructure Office to offer grants to private internet service providers to provide services in unserved areas of the state.
- Includes [\\$90 million](#) for the **Stopgap solution grant program** to offer targeted grants for local infrastructure needs and to connect underserved households.
- Establishes and provides [\\$400 million](#) to the **Completing Access to Broadband program** to allow counties to work in collaboration with the Broadband Infrastructure Office to award grants to internet service providers to provide services to underserved areas at a minimum speed of 25:3 Mbps.
- [\\$1 million](#) for **statewide broadband maps** to visualize broadband distribution and accessibility statewide.
- [\\$12.5 million](#) each year for a **Digital Awareness and Literacy Campaign** with targeted community-based efforts and digital literacy offerings.
- Additionally includes:
 - [\\$15 million](#) to improve broadband access for 25 **rural community colleges**.
 - [\\$3.75 million](#) each year for Department of Information Technology **administrative efforts**.
 - [\\$100 million](#) to support costs and efforts associated with **utility poles readiness and infrastructure** in rural areas.
 - Expands the GREAT program to provide grants for internet services provided via [satellite and fixed broadband](#) networks

Policy bills: *Most policy bills introduced in the 2021 session had full or partial provisions folded into the 2021-2023 FYS budget.*

- **S547: Foster Infrastructure for Broadband Expansion and Resources in North Carolina (FIBER NC)** - Authorizes counties and cities to build facilities or lease equipment for broadband services to one or more lessees to increase broadband services in rural areas.

- This bill was introduced in the Senate.

Stabilize and Transform Rural Health

2021-2023 FYS Budget:

- **Medicaid:**
 - Allows for Medicaid coverage for [postpartum women](#) at or below 196% of the federal poverty level (FPL) expanded from 60 days to 12 months. This proposed change would be effective until March 31, 2027.
 - Establishes Medicaid eligibility retention for [eligible parents](#) of children temporarily placed in foster care (pending approval of waiver from CMS or other federal authority).
 - Directs for a 2022 [Joint Legislative Study Committee](#) on healthcare access and Medicaid expansion.
- **\$4 million** for the **Rural Health Loan Assistance Program**, which helps to attract service providers (such as doctors, physician assistants, dentists, nurse practitioners, and certified nurse midwives) to practice in rural areas through loan repayment assistance.
- Additionally includes:
 - **\$2 million** for the Carolina Farm Stewardship's **FarmsSHARE program** to provide locally grown food to families in need.
 - **\$9,125,000** for **rural health infrastructure** for grants and funding to specified service providers to improve access to affordable care by supporting federally qualified health centers, community health centers, dental service providers, and more.
 - **\$4,909,144** for the federal **Small Rural Hospital Improvement Program** to support rural hospitals with COVID-19 testing and mitigation.
 - **\$1,500,000** for **NC-STeP**, the East Carolina University Center for Telepsychiatry and e-Behavioral Health Statewide Telepsychiatry Program, to respond to the COVID-19 public health emergency by providing virtual psychiatric assessments and consultations to patients utilizing telepsychiatry.
 - Similar to H209: Support Statewide Telepsychiatry Program

Policy Bills:

- **H149: Improving Access to Care through Telehealth** - Requires commercial payers to offer coverage for telehealth services if such services are covered when delivered through traditional means, increasing the accessibility and affordability of health care. Coverage and cost shares, such as deductible, copay, and coinsurance, must be equitable to that provided for services offered in traditional settings.
 - This language was included in the House Budget Proposal.
 - This bill passed the House on May 6.
- **H277/S249: The SAVE Act** - Allows Advanced Practice Registered Nurses to practice within their full scope of practice and brings North Carolina in step with established national standards. This provides a practical solution to supply highly trained and capable providers to serve in their fullest capacity in areas experiencing provider shortages.
 - The bill was introduced in both chambers.
- **S146: Teledentistry/RDH Admin. Local Anesthetic** - Expands access to various oral health services by establishing standards for and permitting the practice of teledentistry; allows properly trained dental hygienists to administer anesthetics if a licensed dentist is physically present and supervising; allows dental hygienists to practice under the supervision of a licensed dentist at more locations by adding federally qualified health centers; and allows qualifying dental hygienists to practice without a licensed dentist physically present under certain circumstances at schools and federally qualified health centers.

Additionally, the bill permits the State Board of Dental Examiners to issue licenses to dental instructors from other states who have graduated from accredited dental schools and meet practice and examination requirements.

- The bill was signed into law on July 23.
- **H737: Local Food Market Expansion Act** - Establishes and appropriates \$2 million to the GAP Expenses Cost Share Program to assist qualifying farmers with expenses incurred while obtaining the Good Agricultural Practices (GAP) certification. GAP certification is an annual, voluntary food safety certification that assures farmers are following food safety best practices. Any farm that intends to sell to large institutions like schools, local governments, hospitals, grocery stores, universities, and to the NC General Assembly (NCGA) must be GAP certified.
 - The bill was introduced in the House.
- **H96: Allow Pharmacists to Admin. Injectable Drugs** - Expands the list of vaccinations and treatments immunizing pharmacists can dispense, deliver, and administer under certain conditions, improving access to care where providers may be less available. Vaccinations include the COVID-19 vaccine, which could also be administered by pharmacy technicians and pharmacy interns. Additionally, the bill includes a separate provision specifying that minors would need written consent from a parent or guardian before receiving any vaccine approved under an Emergency Use Authorization, such as the COVID-19 vaccines.
 - The bill was signed into law on August 20.
- **H791: Licenses Counselor Interstate Compact** - Expands access to professional counseling services by joining the Counseling Compact. The Counseling Compact is a contract between states that allows licensed, professional counselors to practice (in-person and through telehealth) in each of the participating states without the need to acquire multiple state licenses. The bill appropriates \$20,000 in nonrecurring funds for the 2021-2022 fiscal year for administrative costs. Ten states must join for the Interstate Compact to go into effect. Currently, GA and MD have enacted legislation.
 - This bill passed the House on July 26.
- **S575: Pharmacists Improve Public Health Needs** - Allows immunizing pharmacists and clinical pharmacist practitioners to prescribe, dispense, and administer certain vaccinations and treatments. Prescribing and dispensing authority includes tobacco cessation products, orally administered hormonal contraceptives, prenatal vitamins, and HIV post-exposure prophylaxis medications. This bill contained some provisions implemented in H96.
 - This bill passed the Senate on May 11.

Invest in Stronger Entrepreneurship and Small Business Development Systems

2021-2023 FYS Budget:

- **\$120,461,927** for the **State Small Business Credit Initiative**, administered by the NC Rural Center. This program partners with lenders across North Carolina (in rural, urban, and suburban communities) to reduce the risk profile on business loans and to spur early-stage equity investment in North Carolina-based companies to supplement private equity capital. Small businesses (defined as those with 500 or fewer employees in rural, urban, and suburban communities in all 100 counties) are eligible to participate.
- **\$5 million** for a capacity-building grants program managed by the NC Rural Center to help **Community Development Financial Institutions (CDFI)** across NC expand their operations and reach more entrepreneurs.
- **\$500,000** each year for the **Shellfish Growers Loan Program**, a grants program managed by the NC Rural Center to provide loans to shellfish growers.

- [\\$3 million](#) in FY 2021-2022 and [\\$2 million](#) in both fiscal years for the **One North Carolina Small Business Program**, a grant program that helps NC small businesses working on the nation's top Research and Development (R&D) needs compete for federal Small Business Innovative Research (SBIR) and Small Business Technology Transfer (STTR) grants.
- [\\$500 million](#) for the **Business Recovery Grant Program** to provide relief to businesses in the hospitality and entertainment sectors that suffered substantial economic damages from the COVID-19 pandemic. The program gives preference to those who have not yet received prior assistance such as the Paycheck Protection Program (PPP) and other grants.
- Additionally included:
 - [\\$20 million](#) for the **RETOOLNC** program to provide grants to small, historically underutilized businesses to help them recover from the COVID 19 pandemic
 - [\\$50 million](#) for the **Rural Downtown Transformation Grants** managed by the Rural Economic Development Division for neighborhood revitalization grants and community development grants.
 - [\\$3 million](#) for a **Contractor Business Academy** for historically underutilized businesses (HUBS) conducted by Carolina Associated General Contractor's Foundation (CAGC Foundation), Inc. to conduct a contractor business academy.
 - [\\$2 million](#) to temporarily expand marketing and outreach of **Career and Technical Education (CTE)** and work-based learning programs. Additionally, the Elementary and Secondary school Emergency Relief fund allocated:
 - [\\$400,000](#) for CTE programs to provide options for students outside traditional classroom instruction during the COVID-19 pandemic.
 - [\\$2.5 million](#) for a pilot program to bridge the gap between chemistry and physical science classes and CTE careers.
 - [\\$1.5 million](#) to the Department of Commerce for its contract with the Economic Development Partnership of North Carolina (EDPNC) to assist with **rural tourism recovery**.
 - **Conforms to federal tax code** to allow businesses to [deduct expenses](#) paid with coronavirus relief forgivable loans and grants, notably the Paycheck Protection Program (PPP) and other such programs (Economic Injury Disaster Loans (EIDL), Shuttered Venue Grants).
 - No changes to funding for Small Business Centers or Historically Underutilized Businesses (HUB) Offices

Policy Bills:

- **H969: Small Business Truth in Financing** - Requires nonbank commercial lenders to provide disclosures of the financing costs of their products by using standard language to disclose terms, fees, and conditions including annual percentage rate (APR). This will ensure small business owners looking to establish or grow their businesses have the information they need to easily understand costs and make apples-to-apples comparisons between financing offers.
 - This bill was introduced in the House.
- **S228: Allow Employers to Offer EPO Benefit Plans** - Allows insurers to offer exclusive provider benefit health plans. These plans would only offer out-of-network coverage for emergency services and for medically necessary services in situations when an in-network provider was not reasonably available. The bill established continuity of care provisions to account for transitional coverage periods.
 - The bill was signed into law on September 10.
 - NOTE: This bill was included in the Senate 2021-2023 FY budget proposal
- **H624: North Carolina Regulatory Sandbox Act** - Waives certain regulations so that financial tech innovations can be tested in the marketplace for a limited time. The intention is to bring products to the market faster while preserving consumer protections.
 - This bill was signed into law on October 15.

- **S493: JDIG Multilocation Projects Modifications** - Increases the annual Job Development Investment Grant (JDIG) for any business headquarters relocating in the state by 20 percent if the business meets certain requirements, such as relocating its out-of-state manufacturing operation to a Tier 1 or Tier 2 area. The bill’s intention is to incentivize certain businesses to create full time jobs in the state.
 - This bill passed the Senate on April 27.
- **H680: Reenact Qualified Business Venture Credit** - Reinstates tax credits for people who invest in certain qualified business ventures—including those engaged primarily in manufacturing, processing, warehousing, wholesaling, research and development, service-related, or commercialization of IT—that has a gross revenue of up to \$5 million, qualified grantee businesses, and qualified licensee businesses. The bill also increases the tax credit by 10 percent for investments made in opportunity zones or Tier 1 or 2 counties.
 - This bill was introduced in the House.
- **S568: Expand Minority Business Capacity** - Appropriates funding to the Office of Historically Underutilized Businesses for various programs to help support and develop African American– and minority-owned businesses and encourage their participation in State contracts. Additionally includes funding for the ReTOOLNC grant program to assist HUB in recovering from the economic impacts of the pandemic.
 - This bill was introduced in the Senate.
 - ReTOOLNC funding included in the Conference Budget

Sustainable and Affordable Housing

2021-2023 FYS Budget:

- **\$170 million** for the **Workforce Housing Loan Program** to provide loans for the development of affordable housing units in qualified locations across the state. This year, the funding also assists with “**gap financing**” of the federal **Low Income Housing Tax Credit** developments that suffered budget shortfalls due to the pandemic. The LITTC awards tax credits to certain rental property owners that keep rents at certain thresholds of the local median incomes.
- No changes to funding for the North Carolina Housing Trust Fund and HOME Match program.
- Additionally includes:
 - **\$2 million** for **Habitat for Humanity of North Carolina** for the production of affordable housing from the Disaster Recovery Reserve.
 - **\$15 million** for **rapid rehousing services** for individuals and families at risk of homelessness due to the COVID-19 pandemic.

Policy Bills:

- **S554: Encourage Affordable Housing/Shipping Containers** - Modifies certain requirements that must be met by single-family modular homes to receive a seal of compliance with the NC State Residential building code by waiving such requirements for homes not built on a frame- such as when using a shipping container, promoting affordable housing solutions.
 - This bill passed the Senate on May 13.
- **S588: Low-Income Housing Tax Credits** - Reenacts state tax credits awarded to taxpayers who construct or rehabilitate a qualifying low-income housing development in low, medium, and high-income counties or cities as designated by the Housing Finance Agency in accordance with the Qualified Allocation Plan for the federal Low Income Housing Tax Credits. Includes a sunset provision on January 1, 2025.
 - This bill was introduced in the Senate.
- **H712: Preservation of Workforce Housing** - Limits what local ordinances can set as conditions or standards for permit approvals of developments located in areas zoned as “conditional districts” if the

development contains affordable housing units for families or individuals with incomes below 80% of the area median income. By limiting conditions and standards, this more easily allows affordable housing units to be permissible by local ordinances.

- This bill passed the House on May 11.
- **H232: LRC Study- Affordable Housing** - Directs for a Legislative Research Commission (LCR) to conduct a study on the availability of affordable housing in NC. Such a study should include elements such as challenges facing those in need of affordable housing, including financial, social, and logistical challenges; best practices in other states to increase the availability of affordable housing; the feasibility and cost-savings from partnerships between public utilities and private businesses in replacing aging housing in existing programs with newer modular and mobile home units; and more.
 - This bill passed the House on May 12.
- **H684: LRC Study Development Exactions** - Directs the Legislative Research Commission (LCR) to study the constitutionality of exactions. Exactions can be fees, infrastructure improvements, or public facilities that are to be provided at the expense of the landowner seeking to develop their property as a condition for development approval by a local government. Such a study should consider to what extent exactions impact the cost of affordable housing and citizens' ability to own their homes.
 - This bill passed the House on May 6.

Water and Wastewater Infrastructure

2021-2023 FYS Budget:

- [\\$456,400,000](#) for the **Viable Utility Reserve** to provide grants to designated water and sewer utility systems that have been classified as distressed. About 20% of funding has already been directed.
- [\\$1,049,975,000](#) for the **State Drinking Water and Wastewater Reserve for infrastructure grants** for water and sewer systems. Of this funding, \$317.5 million is reserved for designated systems at risk of becoming classified as distressed. About 74% of funding has already been directed (reserved and unreserved).
- [\\$80 million](#) for the **State Drinking Water and Wastewater Reserve for asset inventory/technical assistance grants** that accomplish asset inventories, merger feasibility studies, rate studies, and training purposes. No funding has been directed.
- [\\$103,625,000](#) for the new **Local Assistance for Stormwater Infrastructure Investment (LASII) Fund** that will provide local governments with grants for stormwater infrastructure but may also be used for projects that address stormwater quality or quantity. About 18% of funding has already been directed.

Policy Bills:

- **H20: 1998 Clean Water Bond Additional Connections** - Allows for certain waterline connections to structures located on lots zoned for residential and mixed-use development, as opposed to just zoned for single-family residences. The bill eliminates that the structures using the connections to the waterlines be "habitable."
 - The bill was signed into law June 16.
- **S211: Amend Water/Sewer Rate Adjustment Mechanisms** - Allows the States' Utilities Commission to approve "Water and Sewer Investment Plans." Under these plans, the Commission can set water or sewer base rates, including authorization of annual rate changes, for a three-year period based on known investments and anticipated expenses. The bill additionally modifies the list of water and sewer system improvements that make a utility system eligible for a general rate adjustment to recover costs associated with system improvements. The bill raises the cap for the rate adjustment from 5% to 7.5% of the annual service revenues.
 - The bill was signed into law on September 10.
- **H806: Study Water and Sewer Infrastructure** - Directs the Department of Environmental Quality and the Local Government Commission, with assistance from the Environmental Finance Center of the UNC School of Government, to study issues related to water and sewer infrastructure, including, but

not limited to: the long term needs for maintenance repair and replacement; the financing need of failing infrastructure; the sustainability of local governments owning and operating their own systems; and the how the provision of public water and sewer impacts economic development and land use planning in the jurisdiction operating the water, sewer, or water and sewer system.

- This bill passed the House on May 10.

Other Bills of Interest

- **[H707](#): Student Borrowers' Bill of Rights** - Aims to protect students and families by establishing a student borrower's "bill of rights" that outlines the duties of student loan servicers to borrowers and specifies prohibited conduct. Additionally, the bill requires certain loan servicers to acquire an annual license from the Commissioner of Banks to service student loans; such servicers must maintain a minimum net worth, post surety bonds, and provide reports and data as required by the Commissioner. Language also details disciplinary actions, civil penalty, and a civil remedy provisions. Finally, the bill establishes a Student Loan Ombudsman to assist student borrowers with complaints and questions, compile and analyze data, and monitor the development and implementation of laws and policies.
 - This bill was introduced in the House.
- **[H367](#): Uniform Partition of Heirs Property Act** - Aims to preserve familial wealth and curb ancestral land loss. The bill creates due process protections for individuals participating in a tenants-in-common arrangement of real estate in the event a tenant chooses to sell their interest. These protections aim to give all tenants the ability to retain their ancestral land and preserve their assets.
 - The bill passed the House on May 6.
- **[S576/H499](#): Recovery Rebate for Working Families Act** - Reenacts the State Earned Income Tax Credit, providing a 20% tax credit for low income families and individuals who are eligible for the federal Earned Income Tax Credit.
 - This bill was introduced in both chambers.



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