

SECTION .0100 – GENERAL PROVISIONS

02 NCAC 57 .0101 POLICY

The rules of this Chapter are to implement the Tobacco Trust Fund as set forth in Article 75 of G.S. 143. Applications for the following programs shall be submitted in accordance with the rules set forth in Section .0200 of this Chapter:

- (1) Compensatory programs as defined in G.S. 143-716(2); and
- (2) Qualified agricultural programs as defined in G.S. 143-716(6).

History Note: Authority G.S. 143-715; 143-718;
Temporary Adoption Eff. May 15, 2002;
Eff. April 15, 2003;
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02 NCAC 57 .0102 AUTHORIZATION

History Note: Authority G.S. 143-715; 143-718;
Temporary Adoption Eff. May 15, 2002;
Temporary Adoption Eff. June 29, 2002;
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02 NCAC 57 .0103 DEFINITIONS

In addition to the definitions contained in G.S. 143-716, the following definitions apply to this Chapter:

- (1) Tobacco allotment. An amount of tobacco allowed to be grown on a tract of land;
- (2) Former Tobacco allotment holder. A person who, at the time of the Master Settlement Agreement owned a certain amount of tobacco quota on a tract of land, as determined by the U.S. Farm Service Agency records for the county in which the quota is located;
- (3) Tobacco producer or grower. A person or entity actively engaged in planting, growing, harvesting and marketing tobacco, or who shares in the expense of producing the crop, and for that reason is entitled to share in the revenues derived from marketing the crop;
- (4) Tobacco products. Cigarettes, cigars, smokeless tobacco, pipe tobacco, roll your own tobacco, or any other tobacco product sold at retail intended for human consumption; and
- (5) Tobacco-related segment of the State's agricultural economy. That part of the State's agricultural economy that includes tobacco producers, former tobacco allotment holders, persons who work on tobacco farms and tobacco auction-related workers or warehousemen, and others in tobacco-dependent communities as determined by the Commission in a grant or contract approval.

History Note: Authority G.S. 143-716; 143-718;
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SECTION .0200 - PROGRAM GRANTS

02 NCAC 57 .0201 PURPOSE

02 NCAC 57 .0202 TYPES OF PROGRAMS

02 NCAC 57 .0203 ELIGIBILITY TO RECEIVE GRANTS

History Note: Authority G.S. 143-718; 143-720;

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SECTION .0200 - PROGRAM GRANTS

02 NCAC 57 .0204 APPLICATIONS FOR GRANTS

(a) The Commission shall designate specific dates for submission of grant applications. Grant application submission dates shall be announced in the call for proposals on the Commission website, <http://tobaccotrustfund.org> not less than 30 days before the application is due.

(b) Grant applications shall be printed and an original and four copies timely submitted to the Commission by hand-delivery, by a designated delivery service authorized pursuant to G.S. 1A-1, Rule 4, or by U.S Mail, or online portal. Applications shall be timely submitted as follows:

- (1) if delivered to the Commission's physical office by the end of the business day on designated date announced in the call for proposals;
- (2) if delivered by designated delivery service, which package bears a shipping date on or before the submission date;
- (3) if placing into the U.S. Mail, addressed to 1080 Mail Service Center, Raleigh, NC 27699 and postmarked on or before the submission date; or
- (4) submitted through online portal by due date.

(c) To be considered for funding, applicants shall complete the Tobacco Trust Fund Grant Application Form which shall contain the following information:

- (1) names, mailing addresses, telephone numbers, and signatures of the applicant;
- (2) if the applicant is an organization, consortium, cooperative, or other entity representing multiple eligible beneficiaries, a description of the applicants, organizational history, mission statement, fiscal information, audit statements (if available), organizational goals, and members of the Board of Directors. If the applicant involves more than one organization, person, or entity, it shall identify participating organizations, persons, or entities and define their roles in completing the project;
- (3) a description of the project, its goals and objectives, and measurable outcomes, including the following:
 - (A) for Compensatory Programs: how the applicant shall quantify actual losses due to the Master Settlement Agreement that are not compensated by payments from the National Tobacco Grower Settlement Trust; or
 - (B) for Qualified Agricultural Program (QAP): how the applicant shall provide the manner in which the project will foster the vitality and solvency of the tobacco-related segment of the State's agricultural economy;
- (4) a statement of the projected cost of the project, including any administrative costs and including expected funding from any other source;
- (5) a description of how the project will be completed including time lines;
- (6) explanation of how the project's results will be evaluated;
- (7) at least two references who may be contacted by the Commission;
- (8) any other information required by G.S. 143, Article 75 or these Rules in order to make a decision on the grant proposal; and
- (9) a list and history of the applicant's past projects funded by grants or awards.

(d) Applicants shall also provide an electronic copy as directed with the application packet, if not submitted online.

*History Note: Authority G.S. 143-718; 143-720;
Temporary Adoption Eff. May 15, 2002;
Eff. April 15, 2003;
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02 NCAC 57 .0205 SPECIAL INFORMATION NEEDED FOR DIRECT COMPENSATORY PROGRAMS

If a request is for direct compensation or indemnification or for a project to administer direct compensation or indemnification to an eligible beneficiary or beneficiaries, then the application for the Compensatory Program shall contain the following:

- (1) documentation demonstrating the amount of actual loss of tobacco-related income in North Carolina in 1998 or years subsequent. An applicant may make such demonstration with:
 - (a) a verified letter from a Certified Public Accountant or an attorney licensed in North Carolina that details the amount of the actual loss;
 - (b) that portion of a federal or state income tax return that shows a loss of tobacco-related income. Any documents submitted by the applicant shall be public record under Chapter 132 of the General Statutes;
 - (c) a verified statement from a North Carolina employer quantifying the applicant's loss in tobacco-related income in North Carolina for any given year from 1998 forward; or
 - (d) any other similar reliable, accurate, and verifiable documentation that the Commission may accept as proof of actual loss;
- (2) documentation demonstrating that the amount of actual loss of tobacco-related income is attributable to the Master Settlement Agreement and not because of a decline in quota not caused by the Master Settlement Agreement. Applicants may demonstrate the actual loss with verified information from an independent expert in the field, which expert may be an economist or an accountant. The Commission will compare this demonstration with any independent expert information it may have about losses caused by the Master Settlement Agreement and losses compensated by the National Tobacco Grower Settlement Trust; and
- (3) documentation of any compensation received from the National Tobacco Grower Settlement Trust, or any other source to cover actual losses due to the Master Settlement Agreement, or a verified statement that no compensation was received from the National Tobacco Growers' Settlement Trust or from any other source to compensate losses caused by the Master Settlement Agreement.

*History Note: Authority G.S. 143-718; 143-720;
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02 NCAC 57 .0206 OUT OF CYCLE AWARD OF GRANTS

*History Note: Authority G.S. 143-718;
Temporary Adoption Eff. May 15, 2002;
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Repealed Eff. December 1, 2008.*

02 NCAC 57 .0207 REVIEW OF PROPOSALS

- (a) The Commission staff or designee shall review applications to see if the application is complete. Commission staff shall notify applicants if the grant application is incomplete.
- (b) Applications that are complete will be forwarded to a Grant Review Committee of the Commission. Grant Review Committee members shall be Commissioners.
- (c) During the review and evaluation of proposals, the Commission staff and Grant Review Committee may solicit information from persons who have expertise in technical or specialized areas or request that the Commission staff or designee make reports on any site visits that may be required for consideration of the grant proposal. The Grant Review Committee shall make recommendations to the Commission based on its review and evaluation. Scoring and rating of proposals may be determined by using any consistent rating methodology, including adjectival, numerical, or ordinal rankings.

(d) The Commission shall evaluate grant proposals and recommendations made to the Commission by the Grant Review Committee as follows:

- (1) for Compensatory Programs set forth in G.S. 143-720; or
- (2) for Qualified Agricultural Programs set forth in G.S. 143-721.

(e) In making this evaluation the Commission may consider:

- (1) who will benefit from the grant;
- (2) how many will benefit from the grant;
- (3) the cost of administering it;
- (4) how the grant project will alleviate or avoid unemployment, stabilize local tax bases;
- (5) encourage the economic stability of participants in the State's agricultural economy;
- (6) encourage the optimal use of natural resources in the tobacco dependent economies or related segment of the State's agricultural economy in a measurable manner; or
- (7) past performance of grants and publicly funded projects.

(f) Proposals shall be given a preference for statewide impact, for containing a delivery mechanism to intended beneficiaries, for providing alternate markets for tobacco, or for providing for diversification of the tobacco crop or the tobacco grower.

(g) No grant shall be awarded for a project that is unlawful under NC General Statutes.

*History Note: Authority G.S. 143-718; 143-720;
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Eff. April 15, 2003;
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02 NCAC 57 .0208 AWARD OF GRANTS

(a) The Commission shall award grants as fund are available. All applicants shall be notified in writing or other means of electronic communication upon completion of the selection process.

(b) Funds shall be conveyed to grantees through contracts with the Commission.

(c) If the Commission determines that grant funds are not being used for the purpose for which they were awarded, the Commission may cease making payments under the grant schedule in compliance with G.S. 143C-6-23 and 09 NCAC 03M .0401, which are hereby incorporated by reference, including subsequent amendments and editions.

*History Note: Authority G.S. 143-718;
Temporary Adoption Eff. May 15, 2002;
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02 NCAC 57 .0209 REPORTING

Program specific reporting requirements shall be conveyed to grantees through contractual agreements with the Commission in compliance with G.S. 143C-6-23 and 09 NCAC 03M .0401, which is hereby incorporated by reference, including subsequent amendments and editions.

*History Note: Authority G.S. 143-718;
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02 NCAC 57 .0210 POLICIES GOVERNING COMPENSATORY PROGRAMS

History Note: Authority G.S. 143-718;
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SECTION .0300 - QUALIFIED AGRICULTURAL PROGRAM GRANTS

02 NCAC 57 .0301 **PURPOSE**
02 NCAC 57 .0302 **ELIGIBILITY TO RECEIVE GRANTS**
02 NCAC 57 .0303 **THE PRIMARY BENEFICIARY**
02 NCAC 57 .0304 **APPLICATIONS FOR GRANTS**

History Note: Authority G.S. 143-716; 143-718; 143-721;
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02 NCAC 57 .0305 **OUT OF CYCLE CONSIDERATION OF GRANTS**

History Note: Authority G.S. 143-718;
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Repealed Eff. December 1, 2008.

02 NCAC 57 .0306 **REVIEW OF PROPOSALS**
02 NCAC 57 .0307 **AWARD OF GRANTS**
02 NCAC 57 .0308 **REPORTING**
02 NCAC 57 .0309 **POLICIES GOVERNING QUALIFIED AGRICULTURAL PROGRAM GRANTS**

History Note: Authority G.S. 143-718; 143-721;
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