

January 28, 1999

H 2. EXCELLENT SCHOOLS ACT FUNDS (=S 2). TO APPROPRIATE FUNDS TO IMPLEMENT THE EXCELLENT SCHOOLS ACT. Identical to S 2, introduced 1/28/99.

Intro. by Black.

Ref. to Appropriations\_APPROP.\_\_\_\_

December 15, 1999

**H 2. HURRICANE FLOYD RECOVERY ACT.** TO ENACT THE HURRICANE FLOYD RECOVERY ACT OF 1999, MAKING FINDINGS AS TO DAMAGE CAUSED BY HURRICANE FLOYD CONCERNING ESTABLISHMENT OF THE HURRICANE FLOYD RESERVE FUND, MAKING APPROPRIATIONS TO THE HURRICANE FLOYD RELIEF FUND, AUTHORIZING TEMPORARY RULES FOR IMPLEMENTATION OF THIS ACT, AUTHORIZING ESTABLISHMENT OF NEW PROGRAMS, EXPANSION OF EXISTING PROGRAMS, AND MODIFICATION OF EXISTING PROGRAMS TO IMPLEMENT THIS ACT, AUTHORIZING TRANSFER OF FUNDS TO FEDERAL AGENCIES AND LOCAL GOVERNMENTS, AUTHORIZING TIME-LIMITED POSITIONS TO IMPLEMENT THIS ACT, AUTHORIZING ADVISORY COUNCILS TO ADVISE STATE AGENCIES ON RECOVERY EFFORTS, PROVIDING FOR TAX EXEMPTION OF BENEFITS CONCERNING A STUDY OF DISASTER COUNTIES TIER RANKINGS, CREATING A DISASTER RESPONSE AND RECOVERY COMMISSION, PROVIDING REPORTING REQUIREMENTS, AND EQUALIZING THE UNEMPLOYMENT INSURANCE WAITING PERIOD FOR ALL UNEMPLOYED FLOOD VICTIMS.

December 15, 1999

**H 2. HURRICANE FLOYD RECOVERY ACT.** TO ENACT THE HURRICANE FLOYD RECOVERY ACT OF 1999, MAKING FINDINGS AS TO DAMAGE CAUSED BY HURRICANE FLOYD CONCERNING ESTABLISHMENT OF THE HURRICANE FLOYD RESERVE FUND, MAKING APPROPRIATIONS TO THE HURRICANE FLOYD RELIEF FUND, AUTHORIZING TEMPORARY RULES FOR IMPLEMENTATION OF THIS ACT, AUTHORIZING ESTABLISHMENT OF NEW PROGRAMS, EXPANSION OF EXISTING PROGRAMS, AND MODIFICATION OF EXISTING PROGRAMS TO IMPLEMENT THIS ACT, AUTHORIZING TRANSFER OF FUNDS TO FEDERAL AGENCIES AND LOCAL GOVERNMENTS, AUTHORIZING TIME-LIMITED POSITIONS TO IMPLEMENT THIS ACT, AUTHORIZING ADVISORY COUNCILS TO ADVISE STATE AGENCIES ON RECOVERY EFFORTS, PROVIDING FOR TAX EXEMPTION OF BENEFITS CONCERNING A STUDY OF DISASTER COUNTIES TIER RANKINGS, CREATING A DISASTER RESPONSE AND RECOVERY COMMISSION, PROVIDING REPORTING REQUIREMENTS, AND EQUALIZING THE UNEMPLOYMENT INSURANCE WAITING PERIOD FOR ALL UNEMPLOYED FLOOD VICTIMS.

#### **PART I. TITLE OF ACT**

Provides that act shall be known as "The Hurricane Floyd Recovery Act of 1999."

#### **PART II. LEGISLATIVE FINDINGS**

Finds that Hurricane Floyd was the worst natural disaster in the state's history. Describes the devastation caused by the hurricane, including: 51 deaths; flooding of entire towns; destruction of homes; physical damage to businesses; loss of millions of farm animals; disruption of farming, commercial fishing, and the tourist industry; environmental degradation and threats to public health and safety; and erosion of counties' tax base.

Finds that immediate short-term and long-term responses are necessary to cope with the devastation; that additional state assistance beyond state and federal disaster relief initiatives are necessary; and that without such assistance the affected region will further deteriorate. Also recites findings made by the Council of State in its 12/9/99 resolution concerning the need for additional state assistance.

Provides that parts 2 (findings) and 3 (Hurricane Floyd Reserve Fund) and sections 4.1 and 4.2 of part 4 (implementation of act) apply to the NC counties declared a major disaster area by the President.

### **PART III. HURRICANE FLOYD RESERVE FUND**

Establishment of Fund. Specifies that Governor has established Hurricane Floyd Reserve Fund in State Office of Budget and Management, with purpose of providing relief and assistance from effects of Hurricane Floyd in following areas: match for federal funds for disaster relief; housing assistance; economic recovery assistance; public health, public safety, social services, and environmental recovery issues; support to local governments. Funds remain available to implement act until General Assembly directs reversion of unexpended funds.

General Fund Availability. Provides General Fund availability as follows:

	1999-2000 (\$ Millions)
Ending Unreserved Credit Balance, June 30, 1999	
Budgeted (S.L. 1999-237)	260.4
Actual	296.7
Excess	36.3
Net Revenue Gain by Finance Bills in Excess of Authorized Expenditures as Enacted by 1999 General Assembly	4.6
Estimated Unappropriated Balance, June 30, 2000	40.9

Appropriations to Hurricane Floyd Reserve Fund. (1) Appropriates \$40 million for fiscal 1999-2000 from General Fund to Hurricane Floyd Reserve Fund for crisis housing assistance. (2) Of funds appropriated for fiscal 1999-2000 and previous fiscal years for operation and maintenance of State agencies, for repairs, renovations, and other capital projects, and other nonrecurring appropriations, authorizes Governor, with concurrence of the Council of State, to reallocate funds during state of disaster to Hurricane Floyd Reserve Fund. (3) Appropriates from Savings Reserve Account ("rainy day fund") to Hurricane Floyd Reserve Fund \$285,965,824 for 1999-2000 fiscal year primarily to support crisis housing assistance. Funds to be transferred from Savings Reserve Account only after Director of Budget certifies that funds from other sources are not adequate to implement act.

Provides that Governor can make allocations to programs other than those listed in Report of the House Appropriations Committee on Hurricane Floyd Recovery, dated Dec. 15, 1999, if reports to Joint Legislative Comm'n on Governmental Operations before implementing any changes in allocations.

### **PART IV. IMPLEMENTATION OF ACT**

Temporary Rules Authorized; Authorization Applies to NC Environmental Policy Act of 1971. Authorizes state agencies to adopt temporary rules to implement act without following procedure set out in Administrative Procedure Act. Applies to temporary rules under Environmental Policy Act.

Authorization to Establish New Programs and Modify Existing Programs. Authorizes Governor to establish new programs and modify existing programs to provide assistance from Hurricane Floyd Reserve Fund and to implement act. Programs limited to those purposes to which money in Reserve Fund may be expended.

Authorization to Transfer Funds to Federal Agencies and Local Governments. Authorizes Governor to use funds for purposes listed in establishment of Reserve Fund, to provide grants to local governments, and to transfer funds to federal agencies and local governments pursuant to cooperative agreements.

Authorization to Establish Time-Limited Positions To Implement Act. Allows Governor to establish time-limited personnel positions, exempted from State Personnel Act, to implement act.

Tax Exemption. Amends G.S. 105-134.6(b) and G.S. 105-130.5(b) to allow deduction from NC income tax and from federal taxable income in determining state net income the amount paid to

taxpayer from Hurricane Floyd Reserve Fund for hurricane relief, but not including payments for goods or services provided by the taxpayer. Effective for taxable years beginning on or after January 1, 1999.

Disaster Counties Tier Rankings. Requires Revenue Laws Study Committee to study potential consequences of lowering enterprise area tier designations of counties that sustained severe or moderate damage from hurricane in 1999 and report findings to 2000 Regular Session of the General Assembly.

#### **PART V. CREATION OF DISASTER RESPONSE AND RECOVERY COMM'N.**

Creates 21-member Legis. Comm'n to Address Hurricane Floyd Disaster Relief ("Comm'n"). Directs Comm'n to study the adequacy of the state's short-term and long-term response to natural disasters and necessary modifications in response to future disasters, and short- and long-term recovery efforts for eastern NC. Comm'n must be appointed by January 15, 2000 and hold first meeting by February 1, 2000. Comm'n must report to the General Assembly in 2000 and 2001.

#### **PART VI. REPORTING REQUIREMENTS.**

Requires Governor to make regular reports on the implementation of the act to Jt. Legis. Comm'n on Governmental Operations.

#### **PART VII. EQUALIZATION OF UNEMPLOYMENT INSURANCE WAITING PERIOD FOR UNEMPLOYED FLOOD VICTIMS.**

Applicants for unemployment compensation ordinarily must observe a one-week waiting period before becoming eligible for benefits. This part rewrites GS 96-13(c) to exempt from the waiting period individuals whose unemployment is due directly to a major natural disaster. Benefits paid as a result of the waiver of the waiting period shall not be charged to the account of the base period employer.

#### **PART VIII. EFFECTIVE DATES.**

The following provisions are effective September 1 1999: section authorizing Governor, with concurrence of Council of State, to reallocate appropriated funds to the Hurricane Floyd Reserve Fund; section authorizing agencies to adopt temporary rules to implement this act; sections authorizing Governor to establish, expand, and modify programs and expend funds to provide relief from effects of Hurricane Floyd; and section exempting disaster victims from unemployment insurance waiting period. Sections authorizing tax exemptions are effective for taxable years beginning on or after January 1 1999. Remainder of Act is effective when it becomes law.

**Intro. by Easterling, Hardaway, Redwine, Baddour.**

Ref. to Appropriations

GS 105, 96, APPROP, STUDIES