

**GENERAL ASSEMBLY OF NORTH CAROLINA  
THIRD EXTRA SESSION 2018**

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**SENATE BILL 3  
PROPOSED COMMITTEE SUBSTITUTE S3-PCS15005-MMa-1**

Short Title: 2018 Hurricane Florence Disaster Recovery Act.

(Public)

Sponsors:

Referred to:

October 2, 2018

1 A BILL TO BE ENTITLED  
2 AN ACT TO ENACT THE 2018 HURRICANE FLORENCE DISASTER RECOVERY ACT.  
3 The General Assembly of North Carolina enacts:  
4

5 **PART I. TITLE OF ACT**

6 **SECTION 1.1.** This act shall be known as "2018 Hurricane Florence Disaster  
7 Recovery Act."

8 **SECTION 1.2.** The appropriations and allocations made in this act are for maximum  
9 amounts necessary to implement this act. Savings shall be effected where the total amounts  
10 appropriated or allocated are not required to implement this act.  
11

12 **PART II. HURRICANE FLORENCE DISASTER RECOVERY APPROPRIATION AND**  
13 **AVAILABILITY**

14 **SECTION 2.1.(a)** There is appropriated from the Hurricane Florence Disaster  
15 Recovery Fund the sum of three hundred ninety-eight million four hundred thirty thousand four  
16 hundred seventy-seven dollars (\$398,430,477) for the 2018-2019 fiscal year.

17 **SECTION 2.1.(b)** The availability for Hurricane Florence disaster recovery  
18 activities in this act are set out below:

	<b>FY 2018-19</b>
19	
20	
21 Beginning Unreserved Fund Balance	\$ 0
22 Transfer from Savings Reserve, S.L. 2018-134	\$ 56,500,000
23 Transfer from Savings Reserve	\$ 700,000,000
24 Transfer from Education Lottery Reserve per G.S. 166A-19.40(c)	\$ 25,000,000
25 Transfer from Shallow Draft Navigation Channel Dredging	
26 and Aquatic Weed Fund	\$ 2,000,000
27 Transfer of S.L. 2016-124 funds	\$ 930,477
28 Transfer from Highway Fund	\$ <u>65,000,000</u>
29	
30 <b>Total Hurricane Florence Disaster Recovery Activities Availability</b>	<b>\$ 849,430,477</b>
31	
32 <b>Less Appropriations in S.L. 2018-134</b>	<b>\$ 56,500,000</b>
33 <b>Less Additional FY 2018-19 Appropriations</b>	<b>\$ <u>398,430,477</u></b>
34	
35 <b>Unappropriated Balance Remaining</b>	<b>\$ 394,500,000</b>
36	



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1           **SECTION 2.1.(c)** The State Controller shall establish a Hurricane Florence Disaster  
2 Recovery Reserve in the State General Fund to maintain funds reserved for disaster recovery in  
3 this act. The State Controller shall transfer funds to the Hurricane Florence Disaster Recovery  
4 Fund only as needed to meet the appropriations set out in this act or other related acts of the  
5 General Assembly and only upon request by the Director of the Budget. Funds shall remain in  
6 the Reserve until funds are needed to comply with the allocations as set forth in this act. Funds  
7 reserved in the Reserve do not constitute an "appropriation made by law," as that phrase is used  
8 in Section 7(1) of Article V of the North Carolina Constitution.

9           **SECTION 2.1.(d)** Effective October 2, 2018, Section 3.1(a) of S.L. 2018-134 reads  
10 as rewritten:

11           **"SECTION 3.1.(a)** The Hurricane Florence Disaster Recovery Fund is established. The  
12 purpose of the Fund is to provide necessary and appropriate relief and assistance from the effects  
13 of Hurricane Florence, consistent with the provisions of this ~~act~~ act and with subsequent  
14 legislation addressing the effects of Hurricane Florence. The Fund shall be maintained as a  
15 special fund and administered by the Office of State Budget and Management or by another State  
16 agency, as determined by the Governor, to carry out the provisions of this and subsequent acts  
17 necessitated as a result of Hurricane Florence. All State and federal funds appropriated or  
18 reallocated for Hurricane Florence relief and recovery efforts shall be budgeted and accounted  
19 for in the Fund established in this section."

20           **SECTION 2.2.** The State Controller shall transfer the sum of seven hundred million  
21 dollars (\$700,000,000) for the 2018-2019 fiscal year from the Savings Reserve in the General  
22 Fund to the Hurricane Florence Disaster Recovery Reserve.

23           **SECTION 2.3.** The Office of State Budget and Management shall transfer the sum  
24 of twenty-five million dollars (\$25,000,000) for the 2018-2019 fiscal year from the Education  
25 Lottery Reserve to the Hurricane Florence Disaster Recovery Reserve. The transfer authorized  
26 by this section and allocated in this act ratifies the prior budgetary action taken by the Governor  
27 and shall not be construed to duplicate that transfer of lottery funds.

28           **SECTION 2.4.** Notwithstanding G.S. 143-215.73F, the Department of  
29 Environmental Quality shall transfer the sum of two million dollars (\$2,000,000) for the  
30 2018-2019 fiscal year from the Shallow Draft Navigation Channel Dredging and Aquatic Weed  
31 Fund to the Office of State Budget and Management to be credited to the Hurricane Florence  
32 Disaster Recovery Reserve.

33           **SECTION 2.5.** Of the funds allocated to the Department of Insurance, Office of the  
34 State Fire Marshal, by subdivision (11) of Section 4.1 of S.L. 2016-124 for grants to volunteer  
35 fire departments, the sum of nine hundred thirty thousand four hundred seventy-seven dollars  
36 (\$930,477) is transferred to the Hurricane Florence Disaster Recovery Reserve.

37           **SECTION 2.6.** Notwithstanding any provision of law to the contrary, the  
38 Department of Transportation shall transfer from the Highway Fund the sum of sixty-five million  
39 dollars (\$65,000,000) for the 2018-2019 fiscal year to the Office of State Budget and  
40 Management to be credited to the Hurricane Florence Disaster Recovery Reserve.

### 41 42 **PART III. SCOPE OF ACT**

43           **SECTION 3.** Unless otherwise provided, Section 2.1(a) of this act applies to the  
44 North Carolina counties designated under a major disaster declaration by the President of the  
45 United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence.

### 46 47 **PART IV. FUNDING OF DISASTER RELIEF/REIMBURSEMENT**

### 48 49 **ALLOCATIONS OF FUNDS FOR DISASTER RELIEF**

1           **SECTION 4.1.** The funds appropriated in Section 2.1(a) of this act in the Hurricane  
 2 Florence Disaster Recovery Fund created in S.L. 2018-134 shall be allocated as provided in the  
 3 Committee Report described in Section 6.1 of this act and as follows:

4			
5	Department of Agriculture and Consumer Services	\$	70,000,000
6	Community Colleges System Office	\$	18,500,000
7	Department of Environmental Quality	\$	4,000,000
8	Department of Health and Human Services	\$	12,000,000
9	Housing Finance Agency	\$	10,000,000
10	Department of Insurance	\$	930,477
11	Department of Public Instruction	\$	60,000,000
12	Department of Public Safety	\$	100,000,000
13	Office of State Budget and Management	\$	25,000,000
14	Department of Transportation	\$	65,000,000
15	University of North Carolina – Board of Governors	\$	33,000,000
16			

17 **REIMBURSEMENT FOR FUNDS PROVIDED UNDER THIS ACT**

18           **SECTION 4.2.(a)** A recipient of State funds under this act shall use best efforts and  
 19 take all reasonable steps to obtain alternative funds that cover the losses or needs for which the  
 20 State funds are provided, including funds from insurance policies in effect and available federal  
 21 aid. Further, each institution of higher education and non-State entity that receives State funds  
 22 under this act shall also seek private donations to help cover the losses or needs for which these  
 23 State funds are provided.

24           **SECTION 4.2.(b)** If a recipient obtains alternative funds pursuant to subsection (a)  
 25 of this section, the recipient shall remit the funds to the State agency from which the State funds  
 26 were received. A recipient is not required to remit any amount in excess of the State funds  
 27 provided to the recipient under this act. The State agency shall transfer these funds to the  
 28 Hurricane Florence Disaster Recovery Fund. The funds shall further be transferred to the  
 29 applicable fund or reserve from which the funds were originally transferred to the Fund, except  
 30 that the first twenty-five million dollars (\$25,000,000) deposited under this subsection as  
 31 reimbursement for funds expended for repair and renovation of facilities damaged by Hurricane  
 32 Florence for local school administrative units, lab schools, and any eligible Innovative School  
 33 District shall be transferred to the Education Lottery Reserve Fund. Funds deposited into the  
 34 Fund under this subsection are receipts that do not constitute an "appropriation made by law," as  
 35 that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

36           **SECTION 4.2.(c)** Any contract or other instrument entered into by a recipient for  
 37 receipt of funds under this act shall include the requirements set forth in subsections (a) and (b)  
 38 of this section.

39           **SECTION 4.2.(d)** For purposes of this section, the term "recipient" means a local  
 40 political subdivision of the State, a State agency, a State department, an institution of higher  
 41 education as defined in Section 5.3(a) of this act, a public school unit as defined in Section 5.1  
 42 of this act, or a non-State entity.

43

44 **ADDITIONAL LIMITATIONS ON USE OF FUNDS**

45           **SECTION 4.3.(a)** The Governor shall ensure that funds appropriated in this act are  
 46 expended in a manner that does not adversely affect any person's or entity's eligibility for federal  
 47 funds that are made available, or that are anticipated to be made available, as a result of Hurricane  
 48 Florence. The Governor shall also, to the extent practicable, avoid using State funds to cover  
 49 costs that will be, or likely will be, covered by federal funds.

50           **SECTION 4.3.(b)** The Governor may not use the funds described in this act to make  
 51 reallocations under G.S. 166A-19.40(c). Nothing in this act shall be construed to prohibit the

1 Governor from exercising the Governor's authority under this statute with respect to funds other  
2 than those described in this act.

#### 3 4 **PART V. IMPLEMENTATION OF ACT**

##### 5 6 **AVERAGE DAILY MEMBERSHIP DETERMINATION**

7 **SECTION 5.1.** Notwithstanding any other provision of law, in allocating funds for  
8 the 2018-2019 fiscal year, the State Board of Education shall adjust the allotted average daily  
9 membership (ADM) of public school units for the 2018-2019 school year in a manner that will  
10 assist units impacted by Hurricane Florence as follows: Allotment adjustments for ADM  
11 decreases shall be based on the highest of the first four months' ADM for public school units  
12 located in counties designated under a major disaster declaration by the President of the United  
13 States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence.

14 Consistent with the Allotment Adjustments for ADM Growth provisions of the NC  
15 Public Schools Allotment Policy Manual applicable for the 2018-2019 school year, local school  
16 administrative units are encouraged to apply for additional funding to address needs related to  
17 extraordinary ADM growth due to an influx of displaced students as a result of Hurricane  
18 Florence.

19 If the State Board of Education does not have sufficient resources in the ADM  
20 Contingency Reserve line item to make allotment adjustments in accordance with this section,  
21 the State Board of Education may use funds appropriated to State Aid for Public Schools for this  
22 purpose.

23 For the purposes of this section, "public school unit" is defined as a local school  
24 administrative unit, regional school, innovative school, laboratory school, charter school, or  
25 residential school for the deaf or the blind.

##### 26 27 **CAPITAL RECOVERY FUNDS – PUBLIC SCHOOL FACILITIES**

28 **SECTION 5.2.** The funds allocated to the Department of Public Instruction in this  
29 act shall not be subject to approval by the State Board of Education.

##### 30 31 **EMERGENCY SCHOLARSHIP GRANTS FOR POSTSECONDARY STUDENTS**

32 **SECTION 5.3.(a)** Program Established; Purpose. – There is established the  
33 Hurricane Florence Emergency Grant Program for Postsecondary Students (Program) to provide  
34 emergency scholarship grants in an amount up to one thousand two hundred fifty dollars (\$1,250)  
35 per student to eligible postsecondary students who have suffered financial hardship due to the  
36 damage and destruction from Hurricane Florence. An emergency scholarship grant shall be used  
37 to mitigate the impact of Hurricane Florence on a student so that his or her postsecondary  
38 education in a North Carolina institution of higher education continues uninterrupted. These  
39 funds may be used to cover any expenses that support a student's continued enrollment, including  
40 costs related to transportation, textbooks, tuition, fees, and living expenses.

41 For the purposes of this section, an "institution of higher education" is defined as a  
42 constituent institution of The University of North Carolina, a community college under the  
43 jurisdiction of the State Board of Community Colleges, or an eligible private postsecondary  
44 institution, as defined in G.S. 116-280(3).

45 **SECTION 5.3.(b)** Applications; Eligibility. – By November 1, 2018, each institution  
46 of higher education that is eligible for an allocation of funds pursuant to this section shall begin  
47 accepting applications from eligible postsecondary students. An application for an emergency  
48 scholarship grant must demonstrate that the student is an eligible postsecondary student by  
49 including documentation that the student meets the following criteria:

- 50 (1) The student is enrolled in the institution of higher education at the time of  
51 application.

- 1 (2) The student has a financial need related to the impact of Hurricane Florence.
- 2 (3) The student meets at least one of the following criteria:
  - 3 a. The institution of higher education in which the student was enrolled
  - 4 as of September 10, 2018, is located in a county designated under a
  - 5 major disaster declaration by the President of the United States under
  - 6 the Stafford Act (P.L. 93-288) as a result of Hurricane Florence.
  - 7 b. The student resided, as of September 10, 2018, temporarily or
  - 8 permanently, in a county designated under a major disaster declaration
  - 9 by the President of the United States under the Stafford Act (P.L.
  - 10 93-288) as a result of Hurricane Florence.

11 **SECTION 5.3.(c) Award of Grants.** – Within the funds available to an institution of  
12 higher education in accordance with this section, an institution shall award an emergency  
13 scholarship grant to an eligible postsecondary student within two weeks of the receipt of the  
14 application, or as soon as otherwise practicable, in an amount of up to one thousand two hundred  
15 fifty dollars (\$1,250) based on the information provided in the student's application. An  
16 institution of higher education may establish priority in the award of emergency scholarship  
17 grants to eligible postsecondary students based on the funds available and the pool of applicants,  
18 including giving priority to students who have demonstrated the greatest financial need. If no  
19 priority in the award of funds is established, the emergency scholarship grants shall be awarded  
20 in the order in which applications are received. If the institution of higher education has  
21 unexpended funds remaining after the award of the initial emergency scholarship grants, the  
22 institution may increase the award to an eligible postsecondary student who previously received  
23 funds or solicit additional applications from eligible postsecondary students, provided that the  
24 award to an individual student does not exceed one thousand two hundred fifty dollars (\$1,250)  
25 for each academic semester in which funds are awarded.

26 **SECTION 5.3.(d) Reimbursement for Losses Covered by Other Funds.** – An eligible  
27 postsecondary student who receives an emergency scholarship grant under the Program shall use  
28 best efforts and take all reasonable steps to obtain alternative funds that cover the losses or needs  
29 for which the emergency scholarship grant funds are provided, including funds from insurance  
30 policies in effect and available federal aid. If the student obtains alternative funds, the student  
31 shall remit the amount of the emergency scholarship grant covered by the alternative funds to the  
32 institution of higher education. A student is not required to remit any amount in excess of the  
33 funds provided to the student.

34 **SECTION 5.3.(e) Funds for UNC Constituent Institutions.** – Of the funds allocated  
35 to the Board of Governors of The University of North Carolina from the Hurricane Florence  
36 Disaster Recovery Fund for the 2018-2019 fiscal year, the sum of two million dollars  
37 (\$2,000,000) in nonrecurring funds shall be allocated by the Board of Governors to constituent  
38 institutions of The University of North Carolina for the purpose of providing emergency  
39 scholarship grants to eligible postsecondary students in accordance with the Program. The Board  
40 of Governors shall prioritize the allocation of funds based on the impact of Hurricane Florence  
41 on enrolled students to the following constituent institutions:

- 42 (1) A constituent institution located in a county designated under a major disaster  
43 declaration by the President of the United States under the Stafford Act (P.L.  
44 93-288) as a result of Hurricane Florence.
- 45 (2) A constituent institution that is not located a county designated under a major  
46 disaster declaration by the President of the United States under the Stafford  
47 Act (P.L. 93-288) as a result of Hurricane Florence but has an eligible  
48 postsecondary student enrolled at the institution who (i) resides, temporarily  
49 or permanently, in a county designated under a major disaster declaration by  
50 the President of the United States under the Stafford Act (P.L. 93-288) as a

1 result of Hurricane Florence or (ii) has transferred to the institution due to the  
2 damage and destruction caused by Hurricane Florence.

3 Constituent institutions allocated funds under this subsection shall have discretion to  
4 establish criteria for the eligibility of postsecondary students in addition to the criteria required  
5 by this section. However, the Board of Governors shall not establish additional eligibility  
6 requirements for the administration of the Program to those set forth in this section.

7 **SECTION 5.3.(f)** Funds for Community Colleges. – Of the funds allocated to the  
8 Community Colleges System Office from the Hurricane Florence Disaster Recovery Fund for the  
9 2018-2019 fiscal year, the sum of five million dollars (\$5,000,000) in nonrecurring funds  
10 shall be allocated by the State Board of Community Colleges to community colleges for the  
11 purpose of providing emergency scholarship grants to eligible postsecondary students in  
12 accordance with the Program. The State Board of Community Colleges shall prioritize the  
13 allocation of funds based on the impacts of Hurricane Florence on enrolled students to the  
14 following community colleges:

- 15 (1) A community college located in a county designated under a major disaster  
16 declaration by the President of the United States under the Stafford Act (P.L.  
17 93-288) as a result of Hurricane Florence.
- 18 (2) A community college that is not located in a county designated under a major  
19 disaster declaration by the President of the United States under the Stafford  
20 Act (P.L. 93-288) as a result of Hurricane Florence but has an eligible  
21 postsecondary student enrolled at the community college who (i) resides,  
22 temporarily or permanently, in a county designated under a major disaster  
23 declaration by the President of the United States under the Stafford Act (P.L.  
24 93-288) as a result of Hurricane Florence or (ii) has transferred to the  
25 community college due to the damage and destruction caused by Hurricane  
26 Florence.

27 Community colleges allocated funds under this subsection shall have discretion to  
28 establish criteria for the eligibility of postsecondary students in addition to the criteria required  
29 by this section. However, the State Board of Community Colleges shall not establish additional  
30 eligibility requirements for the administration of the Program to those set forth in this section.

31 **SECTION 5.3.(g)** Funds for Private Postsecondary Institutions. – Of the funds  
32 allocated to the Board of Governors of The University of North Carolina from the Hurricane  
33 Florence Disaster Recovery Fund for the 2018-2019 fiscal year, in addition to the two million  
34 dollars (\$2,000,000) allocated to constituent institutions pursuant to subsection (e) of this section,  
35 the sum of one million dollars (\$1,000,000) in nonrecurring funds shall be allocated to the State  
36 Education Assistance Authority (Authority) to provide funds to eligible private postsecondary  
37 institutions as defined in G.S. 116-280(3) for the purpose of providing emergency scholarship  
38 grants to eligible postsecondary students in accordance with the Program. The Authority shall  
39 prioritize the allocation of funds based on the impact of Hurricane Florence on enrolled students  
40 to the following eligible private postsecondary institutions:

- 41 (1) A private postsecondary institution with a campus located in a county  
42 designated under a major disaster declaration by the President of the United  
43 States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence.
- 44 (2) A campus of a private postsecondary institution that is not located in a county  
45 designated under a major disaster declaration by the President of the United  
46 States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence  
47 but has an eligible postsecondary student enrolled at the private postsecondary  
48 institution who (i) resides, temporarily or permanently, in a county designated  
49 under a major disaster declaration by the President of the United States under  
50 the Stafford Act (P.L. 93-288) as a result of Hurricane Florence or (ii) has

1 transferred to the private postsecondary institution due to the damage and  
2 destruction caused by Hurricane Florence.

3 Private postsecondary institutions allocated funds under this subsection shall have  
4 discretion to establish criteria for the eligibility of postsecondary students in addition to the  
5 criteria required by this section. However, the Authority shall not establish additional eligibility  
6 requirements for the administration of the Program to those set forth in this section. A private  
7 postsecondary institution receiving funds pursuant to this subsection shall report to the Authority  
8 on the implementation of the Program, including the information required for the report under  
9 subsection (h) of this section.

10 **SECTION 5.3.(h)** Reporting Requirements. – By April 1, 2019, the Board of  
11 Governors of The University of North Carolina, the State Board of Community Colleges, and the  
12 Authority shall report to the chairs of the House of Representatives Committee on Appropriations  
13 and the Senate Appropriations/Base Budget Committee, the Joint Legislative Education  
14 Oversight Committee, Office of Recovery and Resiliency in the Department of Public Safety,  
15 and to the Fiscal Research Division of the General Assembly on the implementation of the  
16 Program at the institutions of higher education that received funds pursuant to this section,  
17 including the number and type of institutions of higher education that were allocated funds, the  
18 amount of funds allocated to each institution, the number of emergency scholarship grants  
19 awarded to students and the amount of those grants, the use of emergency scholarship grant funds  
20 by eligible postsecondary students, any funds reimbursed to institutions due to coverage of losses  
21 by alternative funds, and any remaining funds available for awards in subsequent semesters.

## 22 23 **BEHAVIORAL HEALTH SERVICES**

24 **SECTION 5.4.(a)** The following definitions apply in this section:

- 25 (1) DMH/DD/SAS. – The Division of Mental Health, Developmental  
26 Disabilities, and Substance Abuse Services within the Department of Health  
27 and Human Services.
- 28 (2) Federally declared disaster area. – Any county designated under a major  
29 disaster declaration by the President of the United States under the Stafford  
30 Act (P.L. 93-288) as a result of Hurricane Florence.
- 31 (3) LME/MCO. – As defined in G.S. 122C-3.
- 32 (4) Qualifying LME/MCO. – An LME/MCO with a catchment area that includes  
33 at least one federally declared disaster area.

34 **SECTION 5.4.(b)** It is the intent of the General Assembly to support individuals and  
35 families experiencing distress as a result of Hurricane Florence by meeting the increased demand  
36 for behavioral health services in the counties most impacted by Hurricane Florence. To that end,  
37 funds allocated in this act from the Hurricane Florence Disaster Recovery Fund to the Department  
38 of Health and Human Services, Division of Mental Health, Developmental Disabilities, and  
39 Substance Abuse Services, to increase single-stream funding, shall be allocated by  
40 DMH/DD/SAS among LME/MCOs with a catchment area that includes at least one federally  
41 declared disaster area. DMH/DD/SAS shall determine the basis for allocating these funds among  
42 qualifying LME/MCOs. Qualifying LME/MCOs shall not use these allocated funds for any  
43 purpose other than to fund mental health, developmental disabilities, and substance use disorder  
44 services that are (i) for individuals residing in a federally declared disaster area who have been  
45 determined by the LME/MCO to be in need of these services as a result of Hurricane Florence,  
46 and (ii) not reimbursable under the Medicaid program. Each qualifying LME/MCO shall offer at  
47 least the same level of single-stream service utilization required by Section 11F.2(b) of S.L.  
48 2017-57, as amended, increased proportionately by the amount of single-stream funding  
49 allocated to the LME/MCO pursuant to this section.

50 **SECTION 5.4.(c)** Pursuant to its authority under G.S. 108A-54(e), the Department  
51 of Health and Human Services shall manage, within the Medicaid budget, any increased demand

1 for behavioral health services reimbursable under the Medicaid program for individuals residing  
2 in a federally declared disaster area.

### 4 **ASSISTANCE FOR UNAFFILIATED COMMUNITY HOSPITALS**

5 **SECTION 5.5.(a)** It is the intent of the General Assembly to assist unaffiliated  
6 community hospitals, especially those serving rural areas, in covering the increase in nursing and  
7 other staffing expenses related to Hurricane Florence. To that end, funds allocated in this act  
8 from the Hurricane Florence Disaster Recovery Fund to the Department of Health and Human  
9 Services, Division of Central Management and Support, Office of Rural Health, shall be allocated  
10 to the North Carolina Hospital Foundation (NCHF), a nonprofit corporation. NCHF shall use  
11 these funds to award grants, on a basis determined by NCHF, to unaffiliated community hospitals  
12 located in counties designated under a major disaster declaration by the President of the United  
13 States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence, with priority  
14 consideration given to unaffiliated community hospitals serving rural areas. Grant recipients shall  
15 not use these funds for any purpose other than to (i) offset the cost of increased nursing and other  
16 staffing expenses related to Hurricane Florence, and, after this purpose is fulfilled, (ii) assist the  
17 community hospital with other relief related to Hurricane Florence. Grant recipients are  
18 prohibited from using these funds to supplant existing funds for community recovery related to  
19 Hurricane Florence. Notwithstanding Section 3.1(c) of S.L. 2018-134, any funds allocated  
20 pursuant to this section that have not been expended or encumbered as of June 30, 2019, shall  
21 revert to the Hurricane Florence Disaster Recovery Fund.

22 **SECTION 5.5.(b)** By July 15, 2019, each unaffiliated community hospital receiving  
23 grant funding from NCHF pursuant to subsection (a) of this section shall submit to the Office of  
24 Rural Health and the Office of Recovery and Resiliency in the Department of Public Safety a  
25 written report of all expenses funded by State appropriations. By December 1, 2019, the Office  
26 of Rural Health shall submit a written report to the Joint Legislative Oversight Committee on  
27 Health and Human Services and the Fiscal Research Division on the use of the funds allocated  
28 pursuant to subsection (a) of this section.

### 30 **EXTEND 90-DAY TRANSITION PERIOD IN CERTAIN COUNTIES/CHILD CARE** 31 **SUBSIDY**

32 **SECTION 5.6.(a)** Notwithstanding any other provision of law or rule to the contrary,  
33 the Department of Health and Human Services, Division of Child Development and Early  
34 Education, shall extend the transition period from 90 days to 120 days for a child care subsidy  
35 recipient who is otherwise eligible for child care subsidy and resides in an area damaged or  
36 impacted by Hurricane Florence if the recipient is (i) temporarily absent from employment,  
37 training, or an educational program with arrangements to continue the same employment,  
38 training, or educational program, (ii) unemployed but seeking employment, or (iii) no longer  
39 attending a training or educational program but is seeking employment or to resume attendance  
40 at a training or educational program.

41 **SECTION 5.6.(b)** This Section applies only (i) in the counties designated under a  
42 major disaster declaration by the President of the United States under the Stafford Act (P.L.  
43 93-288) as a result of Hurricane Florence and (ii) for the 2018-2019 fiscal year.

### 45 **CREATION OF OFFICE OF RECOVERY AND RESILIENCY/GRANTS**

46 **SECTION 5.7.(a)** The Office of Recovery and Resiliency (Office) is created in the  
47 Department of Public Safety. The Office shall execute multi-year recovery and resiliency projects  
48 and administer funds provided by the Community Development Block Grant Disaster Recovery  
49 program. The Secretary may reassign up to 15 existing positions of the Division of Emergency  
50 Management to the Office. In addition, the Secretary may create up to 30 new three-year  
51 time-limited positions. The reassigned positions assigned to the Office shall retain the



1 employment status of the positions at the time of the reassignment after implementation of this  
2 act is completed. The three-year time-limited positions created in this section shall be temporary  
3 positions and are exempt from the provision of the State Human Resources Act, Chapter 126 of  
4 the General Statutes, except Articles 6 and 7 of that Chapter. The Office will provide general  
5 disaster recovery coordination and public information; citizen outreach and application case  
6 management; audit, finance, compliance, and reporting on disaster recovery funds; and program  
7 and construction management services. The Office shall also contract for services from vendors  
8 specializing in housing, construction, and project management services.

9 **SECTION 5.7.(b)** The Office shall develop and administer a grant program for  
10 financially distressed local governments to assist with recovery capacity. The grants shall cover  
11 the salaries, benefits, and operating costs for up to two three-year positions and may also be used  
12 to purchase one vehicle per community as necessitated by the individual circumstances of each  
13 community. The Office shall also, in consultation with the Local Government Commission,  
14 develop and administer a one-time emergency fund for local governments in disaster-affected  
15 areas that need immediate cash flow assistance. These funds shall be used to meet local  
16 government debt service obligations, to meet payroll obligations for local governments, and to  
17 meet vendor payments where nonpayment would result in negative financial outcome.

#### 18 **OFFICE OF RECOVERY AND RESILIENCY REPORTS**

19 **SECTION 5.8.(a)** Beginning January 1, 2019, the Office of Recovery and Resiliency  
20 (Office) shall provide quarterly reports to the Director of the Budget, the standing Appropriations  
21 Committees of the Senate and the House of Representatives, and the Fiscal Research Division  
22 on the use of State disaster recovery and assistance funds expended from the Hurricane Florence  
23 Recovery Fund. The reports shall summarize oversight activities and the results achieved as well  
24 as all of the following:

- 25 (1) Expenditures by program and by source of funds.
- 26 (2) Expenditures required to receive federal grants.
- 27 (3) Federal funding provided to the State to refund certain federally related  
28 spending.
- 29 (4) Actual and projected State spending data including time lines and milestones.
- 30 (5) State spending data classified by disaster phase to include preparedness,  
31 response, mitigation, and recovery.
- 32 (6) Total State spending data by agency and by program.
- 33 (7) Total State spending by program and county, where practicable.
- 34 (8) Location and job responsibilities of all time-limited State positions created  
35 under this act or paid for with federal funds received as a result of Hurricane  
36 Florence.
- 37

38 **SECTION 5.8.(b)** In addition to the quarterly reports required under subsection (a)  
39 of this section and beginning January 1, 2020, the Office shall provide annual reports that compile  
40 the information contained in the quarterly reports. The annual reports shall be submitted to the  
41 entities required under subsection (a) of this section.

#### 42 **NATIONAL GUARD MEMBERS/REEMPLOYMENT**

43 **SECTION 5.9.** G.S. 127A-202(a) reads as rewritten:

44 "(a) Release From State Duty. – Upon an employee's release from state duty, the  
45 employee's previous employer shall reemploy the employee in the employee's previous position  
46 within five days of the employee's release from state duty. If the employee's state duty lasted 30  
47 days or less, the employee shall make written application to the employee's previous employer  
48 for reemployment no later than the first regularly scheduled work period ~~which that~~ begins ~~eight~~  
49 ~~hours~~ 24 hours after the employee has safely traveled from the place of state service to the  
50 employee's residence. If the employee's state duty lasted more than 30 days, the employee shall  
51

1 make written application to the employee's previous employer for reemployment within 14 days  
2 of the employee's release from state duty. If the employee is still qualified for the employee's  
3 previous employment, the employee shall be restored to the employee's previous position or to a  
4 position of like seniority, status, and salary, unless the employer's circumstances ~~now~~ at that time  
5 make the restoration unreasonable. If the employee is no longer qualified for the employee's  
6 previous employment, the employee shall be placed in another ~~position~~, position for which the  
7 employee is ~~qualified~~, qualified and ~~which that~~ will give the employee appropriate seniority,  
8 status, and salary, unless the employer's circumstances ~~now~~ at that time make the placement  
9 unreasonable."

## 10 11 **NORTH CAROLINA NATIONAL GUARD/OVERPAYMENT OF FUNDS**

12 **SECTION 5.10.** Notwithstanding G.S. 143-64.80, the Office of State Controller  
13 shall waive any outstanding debt arising from, or as a result of, any State active duty performed  
14 by North Carolina National Guard Service members in response to Hurricane Matthew in 2016  
15 due to overpayment of state active duty salary. The Department of Public Safety shall reimburse  
16 those North Carolina National Guard Service members who have already reimbursed the State  
17 for such overpayments.

## 18 19 **HURRICANE FLORENCE AGRICULTURAL DISASTER PROGRAM OF 2018**

20 **SECTION 5.11.(a)** The General Assembly finds that:

- 21 (1) The historic flood and other impacts of Hurricane Florence in September of  
22 2018 caused unprecedented damage to the State and its people, with particular  
23 devastating statewide impacts on North Carolina farmers and the State's  
24 agriculture industry.
- 25 (2) The State has over 50,000 farms across over 8 million acres, which generates  
26 87 billion dollars of economic impact annually and represents the State's  
27 number one industry, making it a vital component to a healthy state economy.
- 28 (3) The total loss of crops as a result of the flooding is estimated at over a billion  
29 dollars and the estimated federal crop insurance payments will only cover a  
30 percentage of the total crop loss.
- 31 (4) The federal crop insurance program as authorized in the 2014 Farm Bill is an  
32 inadequate method of indemnification as compared to traditional forms of  
33 insurance and is not sufficient to aid farmers with substantial losses due to  
34 catastrophic events of nature.
- 35 (5) The State has a significant public interest to prevent the economic collapse of  
36 many of the State's farms, which could cause a severe disruption in the State's  
37 economy and food supply chain.
- 38 (6) The most effective program for administration of financial assistance is  
39 two-fold. The first category shall be based on information available from the  
40 Farm Service Agency ("FSA") within the United States Department of  
41 Agriculture ("USDA"). The second category, for producers who do not  
42 participate in FSA programs, shall be based on verifiable documentation from  
43 producers.

44 **SECTION 5.11.(b)** For purposes of this section, the following definitions apply:

- 45 (1) Agricultural commodity. – Apples, barley, corn, cotton, dry peas, flax, forage,  
46 freezing and canning peas, grain sorghum, grapes, hay, industrial hemp, native  
47 grass, nursery crops, nuts, oats, peanuts, potatoes, rye, soybeans, sunflowers,  
48 sweet corn, tobacco, tomatoes, wheat, specialty crops and other fruits and  
49 vegetables, and aquacultural species propagated or reared in a controlled or  
50 selected environment. An agricultural commodity does not include stored  
51 grain.

- 1 (2) Department. – The Department of Agriculture and Consumer Services.
- 2 (3) Fund. – The Hurricane Florence Agricultural Disaster Fund.
- 3 (4) Livestock. – Cattle, sheep, swine, goats, farmed cervids, and bison. Livestock
- 4 shall include horses, mules, or other equines only if they are used for
- 5 production of agricultural commodities.
- 6 (5) Person. – Any individual, trust, estate, partnership, receiver, association,
- 7 company, limited liability company, corporation, or other entity or group.
- 8 (6) Poultry. – Chickens, quail, or turkeys.
- 9 (7) State. – The State of North Carolina.
- 10 (8) USDA. – The United States Department of Agriculture.

11 **SECTION 5.11.(c)** The Hurricane Florence Disaster Fund is established as a special  
12 fund in the Department of Agriculture and Consumer Services. The Fund consists of allocations  
13 directed by the General Assembly and contributions and grants from public or private sources.  
14 The Fund shall be used for a financial assistance program that provides assistance to farmers  
15 affected by Hurricane Florence. The Department may not use funds for administrative purposes.  
16 Earnings on the contributions and grants deposited in the Fund shall be credited to the Fund. The  
17 Fund shall expire upon the complete expenditure of funds allocated for the purposes specified  
18 herein.

19 **SECTION 5.11.(d)** To be eligible for financial assistance for losses of agricultural  
20 commodities, a person must satisfy all of the following criteria:

- 21 (1) The person experienced a verifiable loss of agricultural commodities as a  
22 result of Hurricane Florence, and the person's farm is located in a North  
23 Carolina county that is or becomes any of the following:
  - 24 a. Designated under a major disaster declaration by the President of the  
25 United States under the Stafford Act (P.L. 93-288) as a result of  
26 Hurricane Florence.
  - 27 b. Included in either a Secretarial Disaster Declaration for Hurricane  
28 Florence issued by the United States Secretary of Agriculture or the  
29 Presidential Federal Emergency Management Agency Declaration for  
30 Hurricane Florence.
- 31 (2) The agricultural commodity was planted on or before September 13, 2018, or,  
32 for aquaculture commodities, the commodities were being raised on or before  
33 September 13, 2018.

34 **SECTION 5.11.(e)** A person seeking financial assistance for losses of agricultural  
35 commodities shall submit to the Department a Form 578 on file with the USDA Farm Service  
36 Agency or a form provided by the Department for reporting acreage or plantings of crops not  
37 typically reported on Form 578, along with any other documentation deemed appropriate by the  
38 Department, on or before December 10, 2018. For nursery crops, fruit-bearing trees and bushes,  
39 and specialty crops where the survival level is not immediately known, the Department may  
40 extend this deadline to May 1, 2019, upon written request by the person received on or before  
41 December 10, 2018, and upon approval by the Department. A person receiving assistance under  
42 this program must provide a signed affidavit, under penalty of perjury, certifying that each fact  
43 of the loss presented by the person is accurate.

44 **SECTION 5.11.(f)** To be eligible for financial assistance for losses of livestock or  
45 poultry, a person must first qualify for and receive payment through the USDA Livestock  
46 Indemnity Program and be a participant in a livestock or poultry indemnity program administered  
47 by the USDA Farm Service Agency.

48 **SECTION 5.11.(g)** A person seeking financial assistance for losses of livestock or  
49 poultry shall submit documentation of loss and indemnity received from the USDA Livestock  
50 Indemnity Program, along with any other documentation deemed appropriate by the Department,  
51 to the Department on or before December 10, 2018. The Department may extend this deadline to

1 March 1, 2019, upon written request by the person received on or before December 10, 2018,  
2 and upon approval by the Department. A person receiving assistance under this program must  
3 provide a signed affidavit, under penalty of perjury, certifying that each fact of the loss presented  
4 by the person is accurate.

5 **SECTION 5.11.(h)** The Department shall administer the financial assistance  
6 program authorized by this section in accordance with the following criteria:

- 7 (1) In determining the payment calculation for agricultural commodities, the  
8 Department shall use a formula based on acreage, county loss estimates, and  
9 USDA National Agricultural Statistics Service averages, and any other  
10 measure the Department deems appropriate. Funds shall be distributed based  
11 on county averages for yields and State averages for price. Calculations shall  
12 be based on county or State averages in price, whichever the Department  
13 determines is appropriate.
- 14 (2) The payment calculation for livestock and poultry shall be based on twelve  
15 and one-half percent (12.5%) of the total loss reported to the USDA Livestock  
16 Indemnity Program.
- 17 (3) The Department shall gather all claim information, except from those  
18 applicants granted a deadline extension, no later than December 10, 2018. The  
19 Department shall, as closely as possible, estimate the amount of the  
20 appropriation needed to be held in reserve for payments related to losses of  
21 livestock, poultry, nursery, bush, tree, and specialty crops for which losses  
22 will not be fully known or calculated. The Department shall set aside funds as  
23 it deems appropriate based on the estimated percentage of these losses.
- 24 (4) Payments made under this program shall be made to the person who filed the  
25 Form 578 or Department form for claims related to agricultural commodity  
26 losses, or the person who received payment from the USDA Livestock  
27 Indemnity Program for claims related to livestock or poultry losses.

28 **SECTION 5.11.(i)** The Department may audit the financial and other records of each  
29 recipient of funds in order to ensure that the funds are used in accordance with the requirements  
30 of this program. The Department may require any documentation or proof it considers necessary  
31 to efficiently administer this program, including the ownership structure of each entity and the  
32 social security numbers of each owner. In order to verify losses, the Department may require the  
33 submission of dated, signed, and continuous records. These records may include, but are not  
34 limited to, commercial receipts, settlement sheets, warehouse ledger sheets, pick records, load  
35 summaries, contemporaneous measurements, truck scale tickets, contemporaneous diaries,  
36 appraisals, ledgers of income, income statements of deposit slips, cash register tape, invoices for  
37 custom harvesting, u-pick records, and insurance documents.

38 **SECTION 5.11.(j)** Awarded funds shall be used for agricultural production expenses  
39 and recovery of losses due to the impacts of Hurricane Florence. The Department shall develop  
40 guidelines and procedures to ensure that funds are expended for the purposes allowed by this  
41 section, and may require any documentation it determines necessary to verify the appropriate use  
42 of financial assistance awards including receipts. All distributed funds are subject to federal and  
43 State income tax.

44 **SECTION 5.11.(k)** If the Department determines that a person who received  
45 financial assistance provided inaccurate information, then the person shall refund the entire  
46 amount of the financial assistance. If the person does not refund the appropriate amount, the  
47 North Carolina Department of Revenue shall collect the money from the person pursuant to  
48 G.S. 105-242.

49 **SECTION 5.11.(l)** This section expires January 1, 2024.

50  
51 **COASTAL DEBRIS CLEANUP**

1           **SECTION 5.12.** Funds allocated in this act to the Department of Environmental  
2 Quality for coastal debris cleanup will be used to provide a grant to the North Carolina Coastal  
3 Federation to contract with third parties to remove and properly dispose of marine debris  
4 deposited in and adjacent to the waters of the State by Hurricane Florence. The Federation shall  
5 not use any of the funds allocated to it by this section for administrative or overhead costs. The  
6 Federation shall report on the use of the funds to the Joint Legislative Oversight Committee on  
7 Agriculture and Natural and Economic Resources, the Office of Recovery and Resiliency in the  
8 Department of Public Safety, and the Fiscal Research Division on or before April 1, 2019.

#### 9 10 **LIVING SHORELINES PERMIT REVISIONS**

11           **SECTION 5.13.** The Coastal Resources Commission shall adopt temporary rules  
12 pursuant to G.S. 150B-21.1 to revise the Commission's general permit for the construction of  
13 riprap sills for wetland enhancement in estuarine and public trust waters (15A NCAC 07H .2700)  
14 (the Living Shorelines General Permit) in order to make the general permit consistent with the  
15 United States Army Corps of Engineers Wilmington District regional general permit for living  
16 shorelines. The temporary rules adopted by the Commission shall not include any changes to the  
17 Living Shorelines General Permit that would delay or otherwise alter general permits issued by  
18 the Commission for other types of coastal erosion control structures, including bulkheads and  
19 other hardened structures.

#### 20 21 **FERRY FEES WAIVER/SECRETARY OF TRANSPORTATION**

22           **SECTION 5.14.** G.S. 136-82 is amended by adding a new subsection to read:

23           "**(b2) Emergency Suspension of Tolling. – The Secretary of Transportation may suspend**  
24 **the collection of tolls for any ferry route serving an emergency area, as declared pursuant to**  
25 **G.S. 166A-19.20 or G.S. 166A-19.22, for the duration of the state of emergency.**"

#### 26 27 **DOT REPORTING REQUIREMENTS**

28           **SECTION 5.15.** The Department of Transportation shall report within 30 days of  
29 the end of each calendar quarter to the Office of Recovery and Resiliency in the Department of  
30 Public Safety on the use of the funds allocated from the Hurricane Florence Disaster Recovery  
31 Fund and all matching funds received from the federal government. The report shall contain all  
32 of the following information itemized by DOT Highway Division and county:

- 33           (1) Project scope and ranking by priority; total cost; amount spent (federal and  
34 state); project status including percentage complete and timeline; the  
35 responsible entity, including names of private contractors; and any issues  
36 encountered with overall project management and delivery.
- 37           (2) The cash balance of the fund, the amount of funds expended, encumbered, and  
38 unencumbered.

#### 39 40 **CONSTRUCTION FEE MORATORIUM**

41           **SECTION 5.16.(a)** Notwithstanding any other provision of law, for any single  
42 commercial or residential project, the Department of Insurance, counties, and cities shall not  
43 impose any fee associated with a permit, inspection, or certificate of occupancy required by law  
44 for construction, reconstruction, alteration, repair, movement to another site, removal, or  
45 demolition of a manufactured home, building, dwelling, or structure damaged as a direct result  
46 of Hurricane Florence.

47           **SECTION 5.16.(b)** The moratorium provided in subsection (a) of this section applies  
48 in North Carolina counties designated under a major disaster declaration by the President of the  
49 United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence. A person is  
50 allowed a refund of any fee assessed and collected that is subject to the moratorium imposed by

1 this section. The Department of Insurance, counties, and cities shall post a notice of the  
2 availability of a refund on their Web sites.

3 **SECTION 5.16.(c)** This section is effective when it becomes law and applies to  
4 applications for issuance of a permit dated on or after September 13, 2018. This section expires  
5 December 31, 2018.

#### 6 7 **EXCEPTION TO CONFIDENTIALITY OF TAX INFORMATION**

8 **SECTION 5.17.(a)** G.S. 105-259(b) is amended by adding a new subdivision to  
9 read:

10 "(55) To provide data drawn from an individual taxpayer's tax information to the  
11 Office of Recovery and Resiliency for the purpose of facilitating such a  
12 taxpayer's application for any means-tested federal or state disaster relief  
13 following a federal major disaster declaration; provided, however, that no  
14 federal tax information may be disclosed under this subpart unless such a  
15 disclosure is permitted by section 6103 of the Code."

16 **SECTION 5.17.(b)** The Department of Revenue and the Office of Recovery and  
17 Resiliency shall, within a reasonable time following the effective date of this act but not later  
18 than June 30, 2019, enter into a confidential information sharing agreement settling data transfer  
19 protocols, required security measures, audit mechanisms, and other issues necessary to develop  
20 and implement the information exchange provided in subsection (a) of this section.

#### 21 22 **EXPAND ELIGIBILITY FOR DISASTER HOUSING ASSISTANCE**

23 **SECTION 5.18.** Notwithstanding G.S. 122E-6(a) and (b) and the provisions of  
24 G.S. 122E-6 relating to income limitations of individuals and families, funds allocated in this act  
25 to the North Carolina Housing Finance Agency for eligible projects under Chapter 122E of the  
26 General Statutes in counties impacted by Hurricane Matthew or Hurricane Florence may be used  
27 to assist individuals and families with household incomes that equal, but do not exceed, one  
28 hundred percent (100%) of the local area's median income, adjusted for family size, pursuant to  
29 the most recent available data from the United States Department of Housing and Urban  
30 Development.

#### 31 32 **AUDIT OF HURRICANE FLORENCE DISASTER RECOVERY FUND**

33 **SECTION 5.19.** The State Auditor shall conduct a preliminary financial and  
34 performance audit of the Hurricane Florence Disaster Recovery Fund created in Section 3.1 of  
35 S.L. 2018-134 (Fund) no later than March 1, 2019. The State Auditor shall conduct additional  
36 periodic financial and performance audits of the Fund and a final financial and performance audit  
37 as requested by the Director of the Budget and the General Assembly.

#### 38 39 **DEPARTMENT OF INSURANCE REPORTING**

40 **SECTION 5.20.** The Department of Insurance shall report to the Office of Recovery  
41 and Resiliency in the Department of Public Safety and the Fiscal Research Division on the funds  
42 allocated to it by this act for grants to volunteer fire departments. The report shall include the  
43 number of applications received, the number of grantees denied funding, and the amounts  
44 awarded to each grantee. The Department shall report within 30 days of the end of each calendar  
45 quarter until all funds allocated to the Department have been expended or have reverted.

#### 46 47 **INVOLVEMENT OF HISTORICALLY UNDERUTILIZED BUSINESSES**

48 **SECTION 5.21.** It is the intent of the General Assembly that, during this time of  
49 rebuilding and relief efforts, each State agency should strive to acquire goods and services from  
50 historically underutilized business vendors, whether directly as principal contractors or indirectly  
51 as subcontractors or otherwise.

1  
2 **LEGISLATIVE REVIEW OF FEDERAL FUNDING AND REMAINING UNMET**  
3 **NEEDS**

4 **SECTION 5.22.** It is the intent of the General Assembly to review in 2018 and 2019  
5 the funds appropriated by Congress for disaster relief and to consider actions needed to address  
6 any remaining unmet needs. It is also the intent of the General Assembly to review the adequacy  
7 of the measures funded by Section 2.1 of this act at that time.

8  
9 **PROHIBITION ON USE OF STATE FUNDS TO CONSTRUCT CERTAIN**  
10 **RESIDENCES**

11 **SECTION 5.23.(a)** No State funds appropriated in this act may be expended for the  
12 construction of any new residence within the 100-year floodplain unless the construction is in an  
13 area regulated by a unit of local government pursuant to a floodplain management ordinance and  
14 the construction complies with the ordinance. For purposes of this act, the term "100-year  
15 floodplain" means any area subject to inundation by the one percent (1%) annual chance flood  
16 event, as indicated on the most recent Flood Insurance Rate Map prepared by the Federal  
17 Emergency Management Agency under the National Flood Insurance Program.

18 **SECTION 5.23.(b)** Homeowners in the 100-year floodplain who receive  
19 homeowner's housing assistance pursuant to this act shall have in effect federal flood insurance,  
20 if available, as a precondition to receipt of State homeowner's housing assistance for losses  
21 resulting from future flooding.

22 **SECTION 5.23.(c)** Funds loaned to small and mid-sized businesses shall be used  
23 only for eligible purposes under the Small Business Administration (SBA) disaster loan  
24 assistance program, as described in the federal disaster declarations designated by the SBA as  
25 NC 14911 and NC 14912. Payments for economic losses shall be limited to documented business  
26 expenses necessary for the continued operation of the business.

27  
28 **SUBROGATION BY STATE OF RIGHT TO INSURANCE COVERAGE FOR**  
29 **DAMAGED HOMES PURCHASED OR RELOCATED UNDER THE HAZARD**  
30 **MITIGATION PROGRAM**

31 **SECTION 5.24.** If a person's home is relocated or purchased with funds from the  
32 Hazard Mitigation Grant Program or the State Acquisition and Relocation Fund, the State  
33 Emergency Response and Disaster Relief Fund is subrogated to the person's rights under any  
34 insurance coverage for the damage to the home, and any monies received from the insurance  
35 coverage shall be paid to the State Emergency Response and Disaster Relief Fund. The Division  
36 of Emergency Management shall ensure that those potentially affected by this section are notified  
37 of, and adhere to, its requirements.

38  
39 **PART VI. MISCELLANEOUS PROVISIONS**

40  
41 **COMMITTEE REPORT**

42 **SECTION 6.1.** The document titled N.C. Senate Committee on Appropriations/Base  
43 Budget and N.C. House of Representatives Committee on Appropriations Committee Report on  
44 Hurricane Florence Disaster Recovery Fund for Senate Bill 3 and House Bill 3 (Committee  
45 Report) dated October 15, 2018, which was distributed in the Senate and the House of  
46 Representatives and used to explain this act, shall indicate action by the General Assembly on  
47 this act and shall, therefore, be used to construe this act, and for these purposes shall be  
48 considered a part of this act and, as such, shall be printed as a part of the Session Laws. If the  
49 Committee Report conflicts with this act, the act prevails.

50  
51 **EFFECT OF HEADINGS**

1           **SECTION 6.2.** The headings to the parts, subparts, and sections of this act are a  
2 convenience to the reader and are for reference only. The headings do not expand, limit, or define  
3 the text of this act, except for effective dates referring to a part or subpart.  
4

5 **SEVERABILITY CLAUSE**

6           **SECTION 6.3.** If any section or provision of this act is declared unconstitutional or  
7 invalid by the courts, it does not affect the validity of this act as a whole or any part other than  
8 the part so declared to be unconstitutional or invalid.  
9

10 **PART VII. EFFECTIVE DATE**

11           **SECTION 7.1.** Except as otherwise provided, this act is effective when it becomes  
12 law.