

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 429
PROPOSED HOUSE COMMITTEE SUBSTITUTE S429-PCS15413-MMa-6

Short Title: Disaster Recovery - 2019 Budget Provisions.

(Public)

Sponsors:

Referred to:

April 1, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE 2019 DISASTER RECOVERY ACT CONSISTENT WITH THE
3 PROVISIONS OF HOUSE BILL 966 OF THE 2019 REGULAR SESSION AND TO
4 APPROPRIATE FUNDS.

5 The General Assembly of North Carolina enacts:

6
7 **PART I. TRANSFERS, APPROPRIATIONS, REVERSIONS, REALLOCATIONS**

8 **SECTION 1.1.** Transfer from Hurricane Florence Disaster Recovery Reserve. – The
9 State Controller shall transfer the sum of ninety-four million one hundred three thousand dollars
10 (\$94,103,000) in nonrecurring funds for the 2019-2020 fiscal year from the Hurricane Florence
11 Disaster Recovery Reserve in the General Fund to the Hurricane Florence Disaster Recovery
12 Fund created in S.L. 2018-134, and these funds are appropriated within the Fund and shall be
13 allocated as provided in Part II of this act.

14 **SECTION 1.2.** Reversion of Composting Reimbursement Funds. – Notwithstanding
15 any other provision of law, the sum of seventeen million dollars (\$17,000,000) received by the
16 Department of Agriculture and Consumer Services as reimbursement for composting programs
17 necessitated by damage to livestock caused by Hurricane Florence shall revert to the Hurricane
18 Florence Disaster Recovery Fund created in S.L. 2018-134 and is appropriated within the Fund
19 for the 2019-2020 fiscal year and shall be allocated as provided in Part II of this act.

20 **SECTION 1.3.** Reallocation of Community College Funds. – Notwithstanding any
21 provision of S.L. 2018-136 or the Committee Report described in Section 6.1 of that act to the
22 contrary, of the funds allocated to the North Carolina Community College System Office for
23 repair and renovation of local community college facilities damaged by Hurricane Florence, the
24 sum of one million five hundred thousand dollars (\$1,500,000) is reallocated to offset the full
25 time equivalent (FTE) losses at affected community colleges due to enrollment declines caused
26 by Hurricane Florence.

27 **SECTION 1.4.** Disaster Relief for Future Events. – The State Controller shall
28 transfer the sum of five million dollars (\$5,000,000) from the Hurricane Florence Disaster
29 Recovery Reserve in the General Fund to the State Emergency Response and Disaster Relief
30 Fund and the funds are appropriated to be used to ensure that sufficient funds are available to
31 provide relief and assistance as authorized by G.S. 166A-19.42 for future emergencies and not
32 including Hurricane Florence or Hurricane Michael. The limitations contained in Section 4.1 of
33 this act do not apply to this section.

34 **SECTION 1.5.** Departmental Receipts. – Departmental receipts, as defined in
35 G.S. 143C-1-1, are appropriated for the 2019-2020 fiscal year up to the amounts needed to
36 implement the disaster recovery provisions provided in this act for the 2019-2020 fiscal year.



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PART II. ALLOCATIONS

SECTION 2.1. Allocations. – The funds appropriated and reallocated in Part I of this act in the Hurricane Florence Disaster Recovery Fund shall be allocated as follows:

- (1) \$6,400,000 to the North Carolina Community College System Office to offset the full-time equivalent (FTE) losses at affected community colleges due to enrollment declines caused by Hurricane Florence. When calculating the enrollment growth budget request for the 2020-2021 fiscal year, the North Carolina Community College System Office shall adjust the FTE to reflect the FTE lost due to Hurricane Florence.
- (2) \$27,868,000 to the Office of State Budget and Management to be used for directed grants as follows:
 - a. \$68,000 to the Town of Morehead City for the renovation and dredging of Pelletier Creek. These funds shall not be subject to the requirements of G.S. 143-215.73F(c).
 - b. \$200,000 to the Town of Bladenboro for demolition of buildings owned by the Town that were damaged by Hurricane Florence.
 - c. \$300,000 to the Bladen County Kelly Dike District for engineering and planning for repairs to Kelly Dike, which spans both Bladen and Pender counties.
 - d. \$500,000 to Jones County to repair damage to the county courthouse caused by Hurricane Florence.
 - e. \$500,000 to Pender County to repair damage to the county courthouse caused by Hurricane Florence.
 - f. \$1,000,000 to the City of Greensboro for recovery projects related to the tornadoes that struck the area in April of 2018.
 - g. \$1,000,000 to the Town of Elm City for disaster recovery projects.
 - h. \$3,300,000 to Carteret County to support the Bogue Sound Project.
 - i. \$3,500,000 to Sampson County for the construction of a new Emergency Management Center.
 - j. \$5,500,000 to the Town of Mount Olive for repairs and renovations to the town's wastewater treatment plant.
 - k. \$6,000,000 to the Town of Fair Bluff for various disaster recovery projects.
 - l. \$6,000,000 to the Town of Princeville for various disaster recovery projects.
- (3) \$22,675,000 to the Department of Environmental Quality to be used as follows:
 - a. \$175,000 for the FerryMon program.
 - b. \$3,000,000 to provide directed grants to Surry County for the following, which are not subject to any local match requirement:
 1. \$500,000 for the Cedar Creek Project.
 2. \$1,500,000 for the Big Elkin Creek Project.
 3. \$1,000,000 for the Mitchell River Project.No local match is required for these projects.
 - c. \$8,000,000 for disaster-related infrastructure and cleanup needs including water and wastewater infrastructure, coastal management planning, and dam safety.
 - d. \$11,500,000 for the Coastal Storm Mitigation Fund. The funds shall be used to provide grants in an amount not to exceed \$2,500,000 for each unit of local government during the 2019-2021 fiscal biennium.

- 1 Notwithstanding G.S. 143-215.73M, no cost-share shall be required
2 for these grants.
- 3 (4) \$22,000,000 to the Department of Public Safety, Office of Recovery and
4 Resiliency to be used as follows:
- 5 a. \$5,000,000 for mitigation buyouts, relocations, buyout assistance to
6 local governments, and infrastructure repairs in order to serve
7 homeowners and communities that would otherwise be eligible for
8 federal Community Development Block Grant – Disaster Recovery
9 (CDBG-DR) funding, but are outside of the federally designated "most
10 impacted, most distressed" counties.
- 11 b. \$8,000,000 for the State Acquisition and Relocation Fund which
12 provides gap funding to storm survivors related to buyouts to move
13 families out of floodplains.
- 14 c. \$9,000,000 to assist financially distressed local governments with staff
15 support and to provide grants and loans to local governments in
16 disaster areas that need immediate cash flow assistance.
- 17 (5) \$4,500,000 to the Office of State Budget and Management for Golden
18 L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., shall be
19 used to provide grants to governmental entities and organizations exempt from
20 federal income tax under section 501(c)(3) of the Internal Revenue Code. The
21 funds may be used to repair, replace, construct, or improve infrastructure or
22 equipment damaged as a result of Hurricane Florence as well as to construct
23 or improve infrastructure to support hazard mitigation. For the purposes of
24 this program, infrastructure includes nonresidential buildings that serve the
25 public, water, sewer, stormwater, and other publicly owned assets. Golden
26 L.E.A.F. may also provide grants to 501(c)(3) nonprofit organizations and
27 established religious organizations to repair or replace places of worship
28 damaged or destroyed by Hurricane Florence.
- 29 Notwithstanding any provision of S.L. 2018-136 or the Committee Report
30 described in Section 6.1 of that act to the contrary, the funds allocated to the
31 Office of State Budget and Management for Golden L.E.A.F. for
32 infrastructure may be used for the purposes authorized in this subdivision.
- 33 The funds allocated to Golden L.E.A.F. in this subdivision are not subject
34 to G.S. 143C-6-23(d).
- 35 (6) \$5,000,000 to the Department of Natural and Cultural Resources to support
36 the aquarium at Fort Fisher.
- 37 (7) \$6,000,000 to the Department of Public Safety, Division of Emergency
38 Management to be used as follows:
- 39 a. \$1,000,000 for a grant program to support volunteer organizations that
40 provide disaster recovery services.
- 41 b. \$1,000,000 to support the North Carolina Search and Rescue Program.
- 42 c. \$2,000,000 to purchase and install river gauges to improve flood
43 mapping and real-time flooding information.
- 44 d. \$2,000,000 to develop a pilot program to help pay for the cost of up to
45 two years' flood insurance for eligible applicants and eligible
46 properties. Subject to the eligibility requirements contained in this
47 sub-subdivision, when awarding funds, the Division shall give priority
48 to applicants and subject properties in the most impacted and
49 distressed counties as determined by the United States Department of
50 Housing and Urban Development for Hurricane Matthew, Hurricane

1 Florence, or both. In order to be eligible for funds under the pilot
2 program, all of the following shall apply:

- 3 1. The applicant earned no more than eighty percent (80%) of the
4 subject area median income during the preceding calendar year
5 and has not received flood insurance for the subject property
6 from any federal program, including by the Community
7 Development Block Grant–Disaster Recovery or the Federal
8 Emergency Management Agency (FEMA) Housing
9 Assistance Program.
- 10 2. The subject property is the applicant's primary residence, is
11 insurable, and has experienced a repetitive loss as that term is
12 defined by FEMA.

13 In addition to any reporting requirement contained in S.L. 2018-134,
14 S.L. 2018-136, or S.L. 2018-138, the Division shall report to the chairs
15 of the Senate Committee on Appropriations/Base Budget, the chairs of
16 the House Committee on Appropriations, and the Fiscal Research
17 Division by March 31, 2020, and March 31, 2021, regarding the
18 implementation of this subsection.

- 19 (8) \$10,160,000 to The University of North Carolina Board of Governors to be
20 used as follows:
 - 21 a. \$160,000 to the North Carolina Policy Collaboratory (Collaboratory)
22 for the ModMon program.
 - 23 b. \$2,000,000 to the Collaboratory to study flooding and resiliency
24 against future storms in Eastern North Carolina and to develop an
25 implementation plan with recommendations. The Collaboratory shall
26 report the flooding and resiliency implementation plan to the Joint
27 Legislative Emergency Management Oversight Committee no later
28 than December 1, 2020. Notwithstanding Section 3.1(c) of S.L.
29 2018-134, funds allocated to the Collaboratory as provided in this
30 sub-subdivision shall revert on December 30, 2020. The University of
31 North Carolina shall not charge indirect facilities and administrative
32 costs against the funding provided for the Collaboratory from the
33 Hurricane Florence Disaster Recovery Fund.
 - 34 c. \$8,000,000 to the University of North Carolina Wilmington (UNC-W)
35 for repairs and renovations to the Dobo Hall science building, which
36 was damaged by Hurricane Florence.
- 37 (9) \$2,000,000 to the Department of Agriculture and Consumer Services to be
38 used as follows:
 - 39 a. \$1,000,000 for the purchase of initial attack bulldozers and tractor
40 plow units for emergency response.
 - 41 b. \$1,000,000 for stream debris removal.
- 42 (10) \$1,000,000 to the Wildlife Resource Commission (WRC) to inspect,
43 investigate, and remove derelict and abandoned water vessels.
44 Notwithstanding any provision of law in Chapter 75A of the General Statutes,
45 the WRC is authorized to use these funds to inspect, investigate, and remove
46 abandoned and derelict vessels. As used in this subdivision, the phrase
47 "abandoned and derelict vessel" means a water-going craft located in a canal
48 or the Intracoastal Waterway that has been damaged or destroyed by
49 weather-related events and that is impeding water traffic. The phrase does not
50 apply to a vessel that is moored to a dock or otherwise not located in an area

1 of normal water traffic. WRC may also remove and dispose of vessels
2 identified by the Marine Patrol of the Division of Marine Fisheries.
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4 **PART III. DIRECTED GRANTS, OTHER MODIFICATIONS, AND CLARIFICATIONS**

5 **SECTION 3.1.(a)** Directed Grants; Definitions. – For purposes of this act, the
6 following definitions apply:

7 (1) Directed grant. – Nonrecurring funds allocated by a State agency to a
8 non-State entity as directed by an act of the General Assembly.

9 (2) Non-State entity. – As defined in G.S. 143C-1-1.

10 **SECTION 3.1.(b)** Directed Grants; Requirements. – Nonrecurring funds
11 appropriated in this act as directed grants are subject to all of the following requirements:

12 (1) Directed grants are subject to the provisions of subsections (b) through (k) of
13 G.S. 143C-6-23.

14 (2) Directed grants of one hundred thousand dollars (\$100,000) or less may be
15 made in a single annual payment in the discretion of the Director of the
16 Budget. Directed grants of more than one hundred thousand dollars
17 (\$100,000) shall be made in quarterly or monthly payments in the discretion
18 of the Director of the Budget. A State agency administering a directed grant
19 shall begin disbursement of funds to a non-State entity that meets all
20 applicable requirements as soon as practicable, but no later than 100 days after
21 the date this act becomes law.

22 (3) Beginning on the first day of a quarter following the deadline provided in
23 subdivision (2) of this subsection and quarterly thereafter, State agencies
24 administering directed grants shall report to the Fiscal Research Division on
25 the status of funds disbursed for each directed grant until all funds are fully
26 disbursed. At a minimum, the report required under this subdivision shall
27 include updates on (i) the date of the initial contact, (ii) the date the contract
28 was sent to the entity receiving the funds, (iii) the date the disbursing agency
29 received the fully executed contract back from the entity, (iv) the contract
30 execution date, and (v) the payment date.

31 (4) Notwithstanding any provision of G.S. 143C-1-2(b) to the contrary,
32 nonrecurring funds appropriated in this act as directed grants shall not revert
33 until June 30, 2021.

34 (5) Directed grants to nonprofit organizations are for nonsectarian, nonreligious
35 purposes only.

36 **SECTION 3.1.(c)** Directed Grants; Sunset. – This section expires on June 30, 2021.

37 **SECTION 3.2.** Clarify Volunteer Fire Department Assistance. – Notwithstanding
38 any provision of S.L. 2018-136 or the Committee Report described in Section 6.1 of that act to
39 the contrary, the funds allocated to the Department of Insurance, Office of State Fire Marshal,
40 for financial assistance to volunteer fire departments is available to be used to repair damages
41 not covered by insurance policy proceeds.

42 **SECTION 3.3.** Expand DACS Farmer Assistance. – Notwithstanding the deadline
43 set forth in Section 5.11(e) of S.L. 2018-136, as amended by S.L. 2018-141, a person who
44 experienced a verifiable loss of agricultural commodities as a result of excessive rain and
45 flooding that occurred during May 15, 2018, through December 31, 2018, and whose farm is
46 located in a North Carolina county that, between January 31, 2019, and February 15, 2019, was
47 included in a Secretarial Disaster Declaration, either as a primary county or as a contiguous
48 county, as a result of excessive rain and flooding that occurred during May 15, 2018, through
49 December 31, 2018, issued by the United States Secretary of Agriculture, is eligible for financial
50 assistance for losses of agricultural commodities pursuant to Section 5.11 of S.L. 2018-136. This
51 section is effective when this act becomes law. The Department shall accept completed

1 applications from persons eligible for financial assistance pursuant to this section for no more
2 than 10 consecutive business days beginning on the effective date of this section. This section
3 shall expire on the date the Department has processed all applications validly received during
4 this period.

5 **SECTION 3.4.** CAMA Emergency General Permit Extension. – Notwithstanding
6 the time lines set forth in 15A NCAC 07H .2502 or other applicable law to the contrary, Coastal
7 Area Management Act Emergency General Permits authorized in response to Hurricanes
8 Florence and Michael and activated by the Secretary of the Department of Environmental Quality
9 in a September 20, 2018, statement, as amended on October 12, 2018, shall be subject to the
10 following schedule:

- 11 (1) All emergency general permits must be issued by October 12, 2019.
- 12 (2) All work authorized by the emergency general permits must be completed by
13 October 12, 2020.

14 15 **PART IV. APPLICABILITY**

16 **SECTION 4.1.** Unless otherwise provided, this act applies to the North Carolina
17 counties designated under a major disaster declaration by the President of the United States under
18 the Stafford Act (P.L. 93-288) as a result of Hurricane Florence. Section 3.1 of S.L. 2018-134,
19 as amended, applies to this act and is incorporated by reference, except Section 3.1(b) of that
20 section shall not apply to any directed grants or funds provided to a State agency for future
21 disaster studies. Sections 4.2, 4.3, 5.21, 5.22, 5.23, and 5.24 of S.L. 2018-136 apply to this act
22 and are incorporated by reference.

23 24 **PART V. MISCELLANEOUS**

25 **SECTION 5.1.** Notwithstanding any other provisions of law, if House Bill 966, 2019
26 Regular Session, becomes law, then Section 4.6 of that act is repealed.

27 **SECTION 5.2.** If any provision of this act and G.S. 143C-5-4 are in conflict, the
28 provisions of this act shall prevail. The appropriations and the authorizations to allocate and
29 spend funds which are set out in this act shall remain in effect until the Current Operations
30 Appropriations Act for the applicable fiscal year becomes law, at which time that act shall
31 become effective and shall govern appropriations and expenditures. When the Current
32 Operations Appropriations Act for that fiscal year becomes law, the Director of the Budget shall
33 adjust allotments to give effect to that act from July 1 of the fiscal year.

34 35 **PART VI. EFFECTIVE DATE**

36 **SECTION 6.1.** Except as otherwise provided, this act becomes effective July 1,
37 2019.