

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 200
Committee Substitute Favorable 3/19/19
PROPOSED SENATE COMMITTEE SUBSTITUTE H200-PCS30533-MCa-19

Short Title: 2019 Storm Recovery Act.

(Public)

Sponsors:

Referred to:

February 27, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE STATE MATCH FOR DISASTER RELIEF FROM HURRICANE
3 DORIAN AND OTHER NAMED STORMS AND CONTINGENT FUNDING FOR THE
4 RURAL HEALTH CARE STABILIZATION FUND.

5 The General Assembly of North Carolina enacts:

6
7 **PART I. APPROPRIATIONS AND ALLOCATIONS**

8 **SECTION 1.1.** Hurricane Florence Federal Match. – There is appropriated from the
9 General Fund the sum of seventy million eight hundred twelve thousand three hundred thirty-six
10 dollars (\$70,812,336) in nonrecurring funds for the 2019-2020 fiscal year to the Hurricane
11 Florence Disaster Recovery Fund created in S.L. 2018-134 to be allocated to the Department of
12 Public Safety to be used to provide State match for Florence federal disaster assistance programs.

13 **SECTION 1.2.(a)** State Emergency Response and Disaster Relief Appropriation. –
14 In addition to any other funds appropriated during the 2019-2020 fiscal year, there is appropriated
15 from the General Fund the sum of thirty-one million six hundred seventy-three thousand two
16 hundred fifty-eight dollars (\$31,673,258) in nonrecurring funds for the 2019-2020 fiscal year to
17 the State Emergency Response and Disaster Relief Fund to be allocated to the Department of
18 Public Safety and used as follows:

- 19 (1) Eleven million one hundred ninety-seven thousand thirteen dollars
20 (\$11,197,013) to provide State match for federal disaster assistance programs
21 related to Hurricane Matthew.
22 (2) Four million one hundred seventy-six thousand two hundred forty-five dollars
23 (\$4,176,245) to provide State match for federal disaster assistance programs
24 related to Hurricane Michael.
25 (3) Sixteen million three hundred thousand dollars (\$16,300,000) to provide State
26 match for federal disaster assistance programs related to Hurricane Dorian.

27 **SECTION 1.2.(b)** Department of Transportation Appropriation. – In addition to any
28 other funds appropriated during the 2019-2020 fiscal year, there is appropriated from the General
29 Fund the sum of thirty million dollars (\$30,000,000) in nonrecurring funds for the 2019-2020
30 fiscal year to the Department of Transportation (DOT) to be used for current and future activities
31 related to recovery from Hurricane Dorian such as debris removal and repair of highway
32 infrastructure damage.

33 **SECTION 1.3.** Rural Health Care Stabilization Fund Contingent Funding. – If
34 Senate Bill 537, 2019 Regular Session, or substantially similar legislation enacted during the
35 2019 Regular Session establishing a Rural Health Care Stabilization Fund, becomes law, there is



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1 appropriated from the General Fund to the Office of State Budget and Management the sum of
2 thirteen million three hundred ninety-seven thousand dollars (\$13,397,000) in nonrecurring funds
3 for the 2019-2020 fiscal year, and the sum of six million six hundred three thousand dollars
4 (\$6,603,000) in nonrecurring funds for the 2020-2021 fiscal year, to be used for the Rural Health
5 Care Stabilization Fund. Sections 2.1 through 2.7 of this act do not apply to the funds described
6 in this section. If House Bill 966, 2019 Regular Session, becomes law, this section is repealed.
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8 **PART II. MISCELLANEOUS**

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

11 **SECTION 2.1.** A recipient of State funds under this act shall use best efforts and
12 take all reasonable steps to obtain alternative funds that cover the losses or needs for which the
13 State funds are provided, including funds from insurance policies in effect and available federal
14 aid. State funds paid under this act are declared to be excess over funds received by a recipient
15 from the settlement of a claim for loss or damage covered under the recipient's applicable
16 insurance policy in effect. Further, each institution of higher education and non-State entity that
17 receives State funds under this act shall also seek private donations to help cover the losses or
18 needs for which these State funds are provided.
19

20 **ADDITIONAL LIMITATIONS ON USE OF FUNDS**

21 **SECTION 2.2.(a)** The Governor shall ensure that funds appropriated in this act are
22 expended in a manner that does not adversely affect any person's or entity's eligibility for federal
23 funds that are made available, or that are anticipated to be made available, as a result of Hurricane
24 Florence. The Governor shall also, to the extent practicable, avoid using State funds to cover
25 costs that will be, or likely will be, covered by federal funds.

26 **SECTION 2.2.(b)** The Governor may not use the funds described in this act to make
27 reallocations under G.S. 166A-19.40(c). Nothing in this act shall be construed to prohibit the
28 Governor from exercising the Governor's authority under this statute with respect to funds other
29 than those described in this act.
30

31 **INVOLVEMENT OF HISTORICALLY UNDERUTILIZED BUSINESSES**

32 **SECTION 2.3.** It is the intent of the General Assembly that, during this time of
33 rebuilding and relief efforts, each State agency should strive to acquire goods and services from
34 historically underutilized business vendors, whether directly as principal contractors or indirectly
35 as subcontractors or otherwise.
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37 **LEGISLATIVE REVIEW OF FEDERAL FUNDING AND REMAINING UNMET** 38 **NEEDS**

39 **SECTION 2.4.** It is the intent of the General Assembly to review the funds
40 appropriated by Congress for disaster relief and to consider actions needed to address any
41 remaining unmet needs. It is also the intent of the General Assembly to review the adequacy of
42 the measures funded by this act at that time.
43

44 **PROHIBITION ON USE OF STATE FUNDS TO CONSTRUCT CERTAIN** 45 **RESIDENCES**

46 **SECTION 2.5.(a)** No State funds appropriated in this act may be expended for the
47 construction of any new residence within the 100-year floodplain unless the construction is in an
48 area regulated by a unit of local government pursuant to a floodplain management ordinance and
49 the construction complies with the ordinance. For purposes of this act, the term "100-year
50 floodplain" means any area subject to inundation by the one percent (1%) annual chance flood

1 event, as indicated on the most recent Flood Insurance Rate Map prepared by the Federal
2 Emergency Management Agency under the National Flood Insurance Program.

3 **SECTION 2.5.(b)** Homeowners in the 100-year floodplain who receive
4 homeowner's housing assistance pursuant to this act shall have in effect federal flood insurance,
5 if available, as a precondition to receipt of State homeowner's housing assistance for losses
6 resulting from future flooding.

7 **SECTION 2.5.(c)** Funds loaned to small and mid-sized businesses shall be used only
8 for eligible purposes under the Small Business Administration (SBA) disaster loan assistance
9 program, as described in the federal disaster declarations designated by the SBA as NC-00111.
10 Payments for economic losses shall be limited to documented business expenses necessary for
11 the continued operation of the business.

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13 **EACH APPROPRIATION AND ALLOCATION IS MAXIMUM AND CONDITIONAL**

14 **SECTION 2.6.** The appropriations and allocations made in this act are for maximum
15 amounts necessary to implement this act. Savings shall be effected where the total amounts
16 appropriated or allocated are not required to implement this act.

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18 **APPROPRIATION OF FEDERAL FUNDS**

19 **SECTION 2.7.** Appropriation/Federal Funds. – Funds received on or after
20 September 1, 2019, for federal disaster assistance programs for State disasters as a result of
21 Hurricane Dorian are appropriated in the amounts provided in the notifications of award from
22 the federal government or any entity acting on behalf of the federal government to administer
23 federal disaster recovery funds. The Office of State Budget and Management and affected State
24 agencies shall report all notifications of award to the Joint Legislative Commission on
25 Governmental Operations and the Fiscal Research Division of the General Assembly.

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27 **PART III. EFFECTIVE DATE**

28 **SECTION 3.1.** Except as otherwise provided, this act is effective when it becomes
29 law.