

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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**HOUSE BILL 222
PROPOSED COMMITTEE SUBSTITUTE H222-PCS40179-RNa-2**

Short Title: C.O.O.P.E.R. Accountability Act.

(Public)

Sponsors:

Referred to:

February 27, 2025

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE CLOSE OUT OPERATIONS PROVIDE EMERGENCY RELIEF
3 ACT (C.O.O.P.E.R. ACT), TO APPROPRIATE FUNDS FOR DISASTER RECOVERY,
4 TO IMPOSE AUDITING, REPORTING, AND MONITORING REQUIREMENTS ON
5 THE OFFICE OF RECOVERY AND RESILIENCY, AND TO REVISE THE OFFICE OF
6 RECOVERY AND RESILIENCY'S RESPONSIBILITIES.

7 The General Assembly of North Carolina enacts:

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**PART I. TRANSFER AND APPROPRIATION TO NCORR; REPORTING; AUDITOR
OVERSIGHT**

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12 **SECTION 1.1.(a)** Funding. – There is appropriated from the State Emergency
13 Response and Disaster Relief Fund (SERDRF) to the Department of Public Safety, Office of
14 Recovery and Resiliency (NCORR), the sum of two hundred seventeen million dollars
15 (\$217,000,000) for the 2025-2026 fiscal year to complete the homeowner recovery projects for
Hurricanes Matthew and Florence.

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17 **SECTION 1.1.(b)** Reporting Requirements. – According to the following schedule
18 set forth in this subsection, NCORR shall report to the Joint Legislative Commission on
19 Governmental Operations (Commission) and the Fiscal Research Division on all funds allocated
20 to homeowner recovery projects for Hurricanes Matthew and Florence and thereafter shall
21 regularly report future disbursements of all funds allocated to remaining homeowner recovery
22 projects as they are disbursed until all homeowner recovery projects are completed. These reports
23 shall include detailed information on all expenditures, obligations, encumbrances, and associated
24 Notices to Proceed or other documentation relating to funds appropriated by or received for those
25 purposes. The reporting schedule is as follows:

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- (1) Beginning on the first business day of the month after this act becomes law and continuing on the first business day of each subsequent month until all funds are disbursed and projects completed, a report detailing the expectations for that month on all specific items listed in this subsection.
- (2) Beginning on the first business day after the fifteenth of the month after this act becomes law and continuing on the first business day after the fifteenth of each subsequent month until all funds are disbursed and projects completed, a report detailing the progress through the month in relation to the stated expectations in the report submitted preceding it.
- (3) Beginning in the second report submitted pursuant to subdivision (1) of this subsection, a report detailing a 30-day lookback period, including the progress



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1 of measurable outcomes compared to the expectation for the month
2 immediately preceding it.

3 **SECTION 1.1.(c) Prioritization.** – NCORR shall prioritize (i) entering into a
4 memorandum of understanding with the Housing Finance Agency to retrieve eligible funding for
5 the homeowner recovery program and (ii) spending those funds received from the Housing
6 Finance Agency for the remaining unmet needs for the homeowner recovery projects consistent
7 with subsection (a) of this section.

8 **SECTION 1.1.(d) Clawback.** – If, after the homeowner recovery projects for
9 Hurricanes Matthew and Florence are completed, NCORR has remaining funds appropriated for
10 the program, then those funds shall revert to the Savings Reserve.

11 **SECTION 1.1.(e) Evaluation of Previous Six Months.** – Within 30 calendar days of
12 this act becoming law, NCORR shall reevaluate all persons who were removed, denied, or
13 otherwise ruled ineligible by NCORR within the past 180 calendar days. If any persons' eligibility
14 were changed by this review, NCORR shall include this information in the next report due
15 pursuant to subsection (b) of this section after the review is completed. To the extent that any
16 persons are deemed eligible for the programs or other assistance, these persons and projects shall
17 be included in subsequent reporting.

18 **SECTION 1.2.(a) Auditor Oversight.** – NCORR shall report to the Office of the
19 State Auditor (i) all disaster relief funds appropriated in this act, (ii) previous funds appropriated
20 under S.L. 2024-57, and (iii) any other funds that have been disbursed to NCORR as of the
21 enactment of this section and thereafter shall regularly report future disbursements of all disaster
22 relief funds allocated to NCORR for disaster relief as they are disbursed. These reports shall
23 include detailed information on all expenditures for personnel, administrative expenses, capital,
24 supplies, and direct aid, and any documents relating to funds appropriated by or received by the
25 State of North Carolina for disaster relief for Hurricanes Matthew and Florence.

26 **SECTION 1.2.(b) Auditor Reporting Time Line.** – NCORR shall send the required
27 information and documents relating to funds already disbursed to the Office of the State Auditor
28 as soon as practicable but no later than seven business days after this bill becomes law.
29 Thereafter, NCORR shall send the required information and documents relating to subsequent
30 disbursements to the Office of the State Auditor on a weekly basis.

31 **SECTION 1.2.(c) Failure to Report.** – If NCORR fails to report expenditures within
32 the specified time line, the Office of the State Auditor shall notify the Commission. NCORR
33 shall provide an explanation and accounting of the failure to report expenditures in a timely
34 manner to the Office of the State Auditor and the Commission.

35 **SECTION 1.2.(d) Audit Requirements.** – The State Auditor shall produce a report
36 of funds expended by NCORR for funds disbursed by NCORR for Hurricanes Matthew and
37 Florence upon the request of the Commission. The State Auditor shall conduct additional
38 periodic financial and performance audits of the Division of Emergency Management of the
39 Department of Public Safety, the Governor's Recovery Office for Western North Carolina, and
40 any additional financial or performance audits as requested by the General Assembly. The audits
41 shall include, at a minimum, all areas of examination as prescribed by G.S. 147-64.6.

42 **SECTION 1.2.(e) Public Dashboard.** – The State Auditor shall provide a public
43 online dashboard that compares the amount of funds appropriated by the legislature with the
44 amount expended by the executive branch for Hurricanes Matthew and Florence relief.

45 **SECTION 1.3. OSBM Monitoring.** – OSBM shall perform ongoing financial
46 monitoring of NCORR for the duration of NCORR's operations, including funding for previous,
47 current, and future storm recovery programs. OSBM shall oversee and track NCORR's budget,
48 expenditures, and obligations through OSBM's Office of Internal Audit or appropriate
49 combination of OSBM staff.

50 **SECTION 1.4. Conflict with Previous Reporting, Auditing, and Monitoring**
51 **Requirements.** – To the extent any provision of this section conflicts with a previous reporting

1 requirement under S.L. 2024-51, S.L. 2024-53, or S.L. 2024-57, this act shall supersede those
2 provisions.

3 **SECTION 1.5.** Appropriation to Office of State Fire Marshal. – There is
4 appropriated from the SERDRF to the Office of the State Fire Marshal the sum of one million
5 five hundred thousand dollars (\$1,500,000) for supplies and equipment needed for an emergency
6 operations center and new office space.

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8 **PART II. NCORR DISSOLUTION OF RESPONSIBILITY FOR FUTURE STORMS**

9 **SECTION 2.1.** G.S. 143B-1040 reads as rewritten:

10 "**§ 143B-1040. Office of Recovery and Resiliency.**

11 ...

12 (e) ~~Notwithstanding any other provision of law, all Community Development Block~~
13 ~~Grant Disaster Recovery awards received by the State in response to the declarations and~~
14 ~~executive orders described in Section 3.1 of S.L. 2016-124, or in any subsequent federally~~
15 ~~declared disasters, shall be administered by the North Carolina Office of Recovery and Resiliency~~
16 ~~of the Department of Public Safety, including circumstances where the designated grantee is an~~
17 ~~agency other than the North Carolina Office of Recovery and Resiliency."~~

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19 **PART III. REVERSION AND LIMITATION OF FUNDS**

20 **SECTION 3.1.(a)** Reversion. – Funds appropriated in this act shall revert to the
21 Savings Reserve if not expended or encumbered by June 30, 2027.

22 **SECTION 3.1.(b)** Receipt of Allocations. – A recipient of State funds under this act
23 shall use best efforts and take all reasonable steps to obtain alternative funds that cover the losses
24 or needs for which the State funds are provided, including funds from insurance policies in effect
25 and available federal aid. State funds paid under this act are declared to be excess over funds
26 received by a recipient from the settlement of a claim for loss or damage covered under the
27 recipient's applicable insurance policy in effect or federal aid. Where a recipient is an institution
28 of higher education or a non-State entity, the requirement regarding alternative funds, and the
29 calculation of alternative funds received, under this subsection includes seeking private donations
30 to help cover the losses or needs for which State funds are provided. An agency awarding State
31 funds for disaster relief shall include a notice to the recipient of the requirements of this
32 subsection.

33 **SECTION 3.1.(c)** Remittance of Funds. – If a recipient obtains alternative funds
34 pursuant to subsection (b) of this section, the recipient shall remit the funds to the State agency
35 from which the State funds were received. A recipient is not required to remit any amount in
36 excess of the State funds provided to the recipient under this act. The State agency shall transfer
37 these funds to the Savings Reserve.

38 **SECTION 3.1.(d)** Contract Requirements. – Any contract or other instrument
39 entered into by a recipient for receipt of funds under this act shall include the requirements set
40 forth in subsections (b) and (c) of this section.

41 **SECTION 3.1.(e)** Limitation on Powers of Governor. – The Governor may not use
42 the funds described in this act to make budget adjustments under G.S. 143C-6-4 or to make
43 reallocations under G.S. 166A-19.40(c). Nothing in this act shall be construed to prohibit the
44 Governor from exercising the Governor's authority under these statutes with respect to funds
45 other than those described in this act.

46 **SECTION 3.1.(f)** Directive. – The Governor shall ensure that funds allocated in this
47 act are expended in a manner that does not adversely affect any person's or entity's eligibility for
48 federal funds that are made available, or that are anticipated to be made available, as a result of
49 natural disasters. The Governor shall also, to the extent practicable, avoid using State funds to
50 cover costs that will be, or likely will be, covered by federal funds.

1 **PART IV. EFFECTIVE DATE**

2 **SECTION 4.1.** This act is effective when it becomes law.