

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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Short Title: NC Recovery and Resiliency Act.

(Public)

Sponsors:

Referred to:

April 14, 2025

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH THE NORTH CAROLINA COMMISSION FOR PREPAREDNESS
AND RECOVERY AS AN INDEPENDENT ENTITY IN THE DEPARTMENT OF
ENVIRONMENTAL QUALITY AND TO TRANSFER CERTAIN STATE FUNCTIONS
INTO THE COMMISSION TO FACILITATE COMPREHENSIVE PREPARATION FOR
AND RESPONSE TO NATURAL DISASTERS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 7 of Chapter 143B of the General Statutes is amended by adding
a new Part to read:

"Part 37.

"North Carolina Commission for Preparedness and Recovery.

"§ 143B-344.70. Commission established; definitions.

(a) Commission established, purpose. – The North Carolina Commission for Preparedness and Recovery is established within the Department of Environmental Quality to (i) administer disaster readiness programing and resources, (ii) provide general disaster recovery coordination, (iii) execute multi-year recovery and resiliency projects, and (iv) administer all Community Development Block Grant Disaster Recovery awards received for a federally declared disaster occurring on or after October 1, 2026. The purpose of this Part is to co-locate multiple State functions and services within one entity to ensure preparation for and relief following natural disasters is accomplished in a speedy, efficient, and cost-effective manner through a unified and comprehensive plan. The Commission is established within the Department for organizational and budgetary purposes only and exercises all of its statutory powers in this Part independent of control by the Department.

(b) Interagency coordination. – The Commission shall establish an intergovernmental working group composed of representatives from the Department and other relevant State agencies, local governments, and other stakeholders to identify legislative, economic, jurisdictional, and other challenges related to stream management and flooding reduction. The Commission shall report at least biennially to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division regarding the findings and recommendations of the working group. The Commission and the Division of Emergency Management of the Department of Public Safety, the Director of the Division of Coastal Management of the Department, and the Secretary of Transportation, or their respective designees, shall meet at least quarterly in order to coordinate the grant making and technical assistance activities each agency is carrying out related to this section.

(c) Definitions. – The following definitions apply in this Part:



- (1) Commission. – The North Carolina Commission for Preparedness and Recovery established in this Part.
- (2) Department. – The Department of Environmental Quality.
- (3) Director. – The chief administrator of the Commission.
- (4) Fund. – The North Carolina Disaster Relief and Resilience Reserve Fund.
- (5) Person. – Any natural person or corporation, limited liability company, trust, association, partnership, joint venture, subsidiary, or other business entity.

"§ 143B-344.75. Governing board; appointment; selection of chair; vacancies; removal; meetings; compensation.

(a) The Commission shall have a governing board consisting of 13 members, appointed as provided in this section. In making appointments to the board, the appointing authorities shall consider the composition of the State with regard to socio-economic status, gender, age, and ethnic and racial composition. Members may be removed by the appointing authority for cause. The members shall elect from themselves the chair of the board, who shall serve as chair at the pleasure of the board. Board members shall be appointed as follows:

- (1) Seven members appointed by the Governor.
- (2) Three members appointed by the General Assembly, upon the recommendation of the President Pro Tempore of the Senate.
- (3) Three members appointed by the General Assembly, upon the recommendation of the Speaker of the House of Representatives.

(b) Of the initial appointees of the Governor, four members shall serve a term of one year and three members shall serve a term of two years. Of the initial appointees of the General Assembly upon the recommendation of the President Pro Tempore of the Senate, two members shall serve a term of two years, and one member shall serve a term of three years. Of the initial appointees of the General Assembly upon the recommendation of the Speaker of the House of Representatives, two members shall serve a term of two years, and one member shall serve a term of three years.

As the initial terms expire, subsequent appointments shall be for five-year terms. At the end of a term, a member shall continue to serve on the board until a successor is appointed. A member who is appointed after a term is begun serves only for the remainder of the term and until a successor is appointed. Any vacancy in the membership of the board shall be filled by the same appointing authority that made the appointment, except that vacancies among members appointed by the General Assembly shall be filled in accordance with G.S. 120-122.

(c) The governing board shall meet at least quarterly upon the call of the chair. A majority of the total membership of the board shall constitute a quorum.

(d) Members of the board shall receive per diem, subsistence, and travel as provided in G.S. 138-5 and G.S. 138-6.

"§ 143B-344.80. Executive Director; Commission authority.

(a) Director. – The governing board of the Commission shall select and appoint an Executive Director of the Commission. The Executive Director is responsible for the supervision of all activities under the jurisdiction of the Commission and serves as the chief administrative officer of the Commission. Subject to the approval of the governing board, the executive director is authorized to employ such administrative and operational personnel as may be deemed necessary.

(b) Commission authority. – The Commission has the following powers:

- (1) To execute multi-year recovery and resiliency projects and administer funds provided by third parties, governmental entities including grant programs such as the Community Development Block Grant Disaster Recovery program and Hazard Mitigation Grant Program.
- (2) Provide general disaster recovery coordination and public information; citizen outreach and application case management; audit, finance, compliance, and

reporting on disaster recovery funds; and program and construction management services.

(3) Contract for services from vendors for preparedness and recovery services.

"§ 143B-344.85. Statewide Strategic Readiness and Response Plan.

(a) Strategic Plan. – The Commission shall adopt a comprehensive strategic plan to prepare for and respond to natural disasters occurring in North Carolina. The strategic plan shall include specific objectives related to the following topics:

(1) Readiness. – The plan shall address issues that may be undertaken by the State prior to a natural disaster to mitigate damage and expedite response, including the following:

- a. Education and analysis to better understand the impacts of environmental disasters and the resources available to prevent or lessen these impacts.
- b. Permissible means of support for local communities in their efforts to protect their infrastructure and citizens, to recover more quickly from natural disasters, to identify and address vulnerabilities, to catalog available resources, and to understand how mitigation activities can lower total costs associated with natural disasters.
- c. Coordination of actions and building alignment across all State agencies, as disasters impact the infrastructure and services provided across all sectors to ensure each agency's mission can be achieved with minimal interruption.
- d. Streamlining of processes for tapping into federal, state and private funding that will support mitigation and resilience activities, track how the resources were spent, and provide return on investment data for various efforts.
- e. Comparisons of and investment in robust early warning systems to provide timely alerts to communities about impending hazards.
- f. Survey, development, and strengthening of emergency management frameworks that account for a whole-of-government approach, coordinating efforts across various agencies and levels of government, including fostering strong relationships and communication channels between State, local, and federal agencies to ensure a coordinated response.
- f. Investigation and establishment of mutual aid agreements with neighboring states and regions to ensure resources and support are available during large-scale disasters.
- h. Analysis of public awareness campaigns to identify ways to (i) educate residents about the risks they face, how to prepare for disasters, and what to do during an emergency; (ii) encourage residents to create and maintain disaster preparedness kits with essential supplies, such as food, water, first-aid supplies, and medications; (iii) promote the development of family disaster plans that outline evacuation routes, communication plans, and meeting points; (iv) ensure clear and well-maintained evacuation routes and provide residents with information about where to go during an evacuation; and (v) ensure that residents know how to receive emergency alerts and warnings, such as through phone applications, social media, and local media outlets.
- i. Promulgation of resources to educate State and local entities on streamlining the application for and leveraging of federal funding

- 1 opportunities to support disaster mitigation, preparedness, and
2 response efforts.
- 3 j. Identification and development of staging areas throughout the State
4 to allow for designated places for post-disaster relief efforts.
- 5 (2) Recovery. – The plan shall address issues that may be undertaken by the State
6 immediately following a natural disaster to restore needed infrastructure,
7 services, and shelter and meet other needs of individuals and businesses in the
8 immediate aftermath, including the following:
- 9 a. Studying best practices and available methods of making available aid
10 for immediate disaster relief assistance to aid resilient rebuilding in
11 affected communities with significant unmet needs, including (i)
12 financial assistance to State and local governmental entities to provide
13 the nonfederal share for federal disaster assistance programs; (ii)
14 infrastructure repairs for homeowners and communities that can be
15 provided without negatively impacting the availability or amount of
16 federal assistance; (iii) loan and grant programs to local governments
17 in disaster areas that need immediate cash flow assistance; (iv) grant
18 and assistance programs to facilitate, offset costs of, and enable
19 governmental entities and organizations exempt from federal income
20 tax under section 501(c)(3) of the Internal Revenue Code to repair or
21 replace infrastructure or equipment damaged as a result of a natural
22 disaster; and (v) monetary assistance for verifiable losses of
23 agricultural commodities due to a natural disaster.
- 24 b. Methods to identify and account for future risks and hazard exposure
25 in order to rebuild in a manner that will reduce the exposure of the
26 community to future hazards and reduce future losses.
- 27 c. A streamlined application process that provides for comprehensive,
28 user-friendly, expedited applications to be used by eligible fund
29 recipients for relief with clear instructions and explanations of criteria
30 set by the Commission to qualify.
- 31 (3) Resilience. – The plan shall address issues that may be undertaken by the State
32 at any point to coordinate and strengthen efforts to reduce losses from future
33 disasters, including at least the following:
- 34 a. The development and maintenance of a strategic statewide flood
35 resilience and risk analysis, developed in conjunction with the
36 principles established and recommended in the North Carolina Flood
37 Resiliency Blueprint, as amended, or by the Division of Mitigation
38 Services of the North Carolina Department of Environmental Quality
39 as may after be recommended.
- 40 b. The development and maintenance of a strategic statewide fire
41 mitigation, resilience, and risk analysis, developed in conjunction with
42 North Carolina Forest Service, State Forester, or their assignee.
- 43 c. The development and maintenance of a strategic statewide earthquake,
44 mudslide, mudflow, and landslide resilience and risk analysis, in
45 conjunction with the North Carolina Geological Survey of the North
46 Carolina Department of Environmental Quality.
- 47 d. The development and maintenance of a strategic statewide Wind and
48 hail resilience and risk analysis, in conjunction with the State Energy
49 office of the North Carolina Department of Environmental Quality, the
50 North Carolina Department of Insurance, and their assignees.

- e. Study of building code provisions and recommendations for changes to ensure structures can withstand potential hazards like earthquakes, floods, and high winds.
- f. Identification of investments in infrastructure to increase ability to withstand, and reduce costs for repairs resulting from, extreme weather events.
- g. Examining land use planning and recommendations to minimize development in high-risk areas, such as floodplains and coastal zones.
- h. Identification, creation, and enhancement of water retention areas to help manage floodwaters.

(b) Update, Review, and Report. – The Commission shall update the plan required by subsection (a) of this section quadrennially. The Commission shall annually (i) review the State's performance based on this plan and (ii) report the results of the review to the Joint Legislative Emergency Management Oversight Committee created pursuant to G.S. 120-70.150.

"§ 143B-344.90. Reserved.

"§ 143B-344.95. Disaster Readiness, Recovery, and Resiliency Fund.

(a) Fund established. – The Disaster Readiness, Recovery, and Resiliency Fund is established as a special fund in the Office of the State Treasurer. The Fund shall be separate and distinct from the General Fund and all other funds and reserves. The principal of the Fund consists of the following:

- (1) Any proceeds of any contributions, donations, gifts, or grants to the State that are specifically designated for inclusion in the Fund and any investment income that is not used in accordance with subsection (b) of this section.
- (2) Any contributions, donations, or dedications of interests in real property made consistent with the purposes and objectives of the Commission.
- (3) Any appropriations made by the North Carolina General Assembly to the Fund.

(b) Use. – Funds in the Fund may only be used for purposes provided in this subsection. The Governor may not reallocate funds in the Fund pursuant to the authority in Article 1A of Chapter 166A of the General Statutes or any other provision of law. The Commission may allocate and expend funds in the Fund to undertake (i) the analyses required by, and to implement the results and relief assistance programs resulting from, the Statewide Strategic Readiness and Response Plan required by G.S. 143B-344.85, (ii) other duties and responsibilities of the Commission, as set out in G.S. 143B-344.90, and (iii) to the extent they are not otherwise covered by the plan, efforts to remove residents from hazard areas, safeguard property, and restore the natural function of the floodplain using a competitive grant process administered by the Commission, including all of the following:

- (1) Mitigation buyouts, relocations, and buyout assistance for homes, including multifamily units.
- (2) Gap funding related to buyouts in order to move residents out of floodplain hazard areas and restore or enhance the natural flood mitigation capacity of functioning floodplains.
- (3) Assistance to low- and moderate-income homeowners to help lower flood risk through flood insurance, structural and nonstructural mitigation projects, or other means.
- (4) Loans and grants to State and local governmental entities for hazard mitigation and infrastructure improvement projects.
- (5) Approved mitigation projects identified in local post-disaster recovery plans created and adopted prior to a disaster.

(c) Priority. – In approving financial assistance for hazard mitigation and infrastructure improvement projects, the Commission shall ensure that selected projects are in compliance with

requirements of the National Flood Insurance Program or any more stringent requirements adopted by a local government and shall give priority to projects which offer enhanced protection from future flood events or which utilize or incorporate natural features to achieve protections. Funds may not be used for projects adversely affect neighboring areas by increasing the flood vulnerabilities of those areas.

(d) Interest. – Interest accrued by the fund must remain in the fund and unexpended funds must be retained and carried forward to be used for the same purposes."

SECTION 2. G.S. 147-69.2(a) reads as rewritten:

"(a) This section applies to funds held by the State Treasurer to the credit of each of the following:

...

(25) The Disaster Readiness, Recovery, and Resiliency Fund established in G.S. 143B-344.95."

SECTION 3.(a) All (i) statutory authority, powers, duties, and functions, rulemaking, budgeting, and purchasing, (ii) records, (iii) personnel, personnel positions, and salaries, (iv) property, and (v) unexpended balances of appropriations, allocations, reserves, support costs, and other funds related to the following functions or programs and the related, administering entities are transferred to and vested in the Commission for Preparedness and Recovery in the Department of Environmental Quality. This transfer has all of the elements of a Type I transfer, as defined in G.S. 143A-6. The programs and related administering entities are as follows:

<u>Program, functions</u>	<u>Administering Entity</u>
Resiliency functions	North Carolina Office of Recovery and Resiliency
Home Construction and Repair Program	Department of Commerce, Division of Community Revitalization
Recovery functions	Department of Public Safety, Division of Emergency Management
Streamflow Rehabilitation Assistance Program	Department of Agriculture and Consumer Services
Flood Resiliency Blueprint Program	Department of Environmental Quality, Division of Mitigation Services
Natural Infrastructure Flood Mitigation Program	Department of Environmental Quality, Division of Mitigation Services
Hazard Mitigation State Grant Program	Department of Public Safety, Division of Emergency Management
Landslide Mapping Program	Department of Environmental Quality, Division of Energy, Mineral and Land Resources
Hazard Mitigation State Centric Pilot Program	Department of Public Safety, Division of Emergency Management
Resiliency functions	Department of Public Safety, Division of Emergency Management, Hazard Mitigation Section
Geodetic Survey Program	Department of Public Safety, Division of Emergency Management, Hazard Mitigation Section
National Flood Insurance Program	Department of Public Safety, Division of Emergency Management, Hazard Mitigation Section

Floodplain Mapping Program

Department of Public Safety, Division of
Emergency Management, Hazard
Mitigation Section

Conservation Reserve Enhancement Program

Department of Agriculture and Consumer
Services

SECTION 3.(b) Rules adopted by an administering agency pursuant to rulemaking authority granted by the General Statutes that is transferred pursuant to this section shall remain in effect until amended by the Commission for Preparedness and Recovery in accordance with Chapter 150B of the General Statutes.

SECTION 4. Throughout the General Statutes, the Revisor of Statutes shall do the following:

- (1) Replace the phrase "Office of Recovery and Resiliency" with the phrase "Commission for Preparedness and Recovery" and shall make any necessary conforming changes to citations.
- (2) Replace the name of the entity listed in subsection 3(a) of this act with the phrase "Commission for Preparedness and Recovery" and shall make any necessary conforming changes to citations.

SECTION 5.(a) Article 6 of Chapter 139 of the General Statutes, comprising G.S. 139-65, is recodified within Part 37 of Article 7 of Chapter 143B of the General Statutes as G.S. 143B-344.90, as enacted by subsection (a) of Section 1 of this act.

SECTION 5.(b) G.S. 143B-344.90, as recodified by subsection (a) of this section, reads as rewritten:

"§ 143B-1042.20. Streamflow Rehabilitation Assistance Program.

(a) Program Established. – The Streamflow Rehabilitation Assistance Program is established. The purpose of the Program shall be to assist an eligible grantee in protecting and restoring the integrity of drainage infrastructure through routine maintenance to existing streams and drainage ways by removing blockages caused by accumulated debris or sediment, stabilization and restoration of streams and streambanks, and for rehabilitation or improvement of small watershed structural projects constructed pursuant to the Watershed Protection and Flood Prevention Act of 1954, as amended. Project engineering, permitting, and administrative costs are eligible for payment through the Program. Program funds may also be used to provide nonfederal match for related disaster recovery activities funded by the federal government. For purposes of this section, an "eligible grantee" shall include any of the following:

- (1) A Soil and Water Conservation District established under ~~this Chapter.~~Chapter 139 of the General Statutes.
- (2) A political subdivision, including a city, a county, a water or sewer authority established under Chapter 162A of the General Statutes, a metropolitan or county water or sewer district established under Chapter 162A of the General Statutes, a county service district established under Chapter 153A of the General Statutes, a municipal service district established under Chapter 160A of the General Statutes, a sanitary district established under Chapter 130A of the General Statutes, and a drainage district established under Chapter 156 of the General Statutes.
- (3) A nonprofit organization.

(b) Program Administration. – ~~The Soil and Water Conservation Commission for~~Preparedness and Recovery (Commission) shall supervise and administer the Streamflow Rehabilitation Assistance Program as provided in this section. No more than five percent (5%) of Program funding may be used for administration costs.

(c) Program Functions. – Under the Streamflow Rehabilitation Assistance Program, the ~~Soil and Water Conservation Commission~~ shall do the following:

- (1) Establish criteria to allocate funds to eligible grantees.

- (2) Develop a process for soliciting and reviewing applications and for selecting applicants to participate in the Program.
- (3) Adopt temporary and permanent rules as necessary to implement this Program.

(d) **Restriction on Funded Activities.** – The Commission shall ensure that debris removed from streams with funds provided under this ~~Article~~ section are either removed from the 100-year floodplain or processed in such a manner that the debris would not pose a risk of blockage or significant impairment of normal streamflow during a subsequent flood event. For purposes of this subsection, "100-year floodplain" means any area subject to inundation by the one percent (1%) annual chance flood event, as indicated on the most recent Flood Insurance Rate Map prepared by the Federal Emergency Management Agency under the National Flood Insurance Program.

(e) **Report.** – No later than January 31 of each year, the ~~Division of Soil and Water Conservation of the Department of Agriculture and Consumer Services~~ Commission shall prepare a comprehensive report on the implementation of this ~~section~~ section during the previous calendar year. The report shall be submitted to the Environmental Review ~~Commission~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division as a part of the report required by G.S. 106-850(e)-Division."

SECTION 5.(c) Rules adopted by the Soil and Water Conservation Commission pursuant to G.S. 139-65(c), as recodified and rewritten by this section. shall remain in effect until amended by the Commission for Preparedness and Recovery in accordance with Chapter 150B of the General Statutes.

SECTION 6. G.S. 143B-1325(c) reads as rewritten:

"(c) **Participating Agencies.** – The State CIO shall prepare detailed plans to transition each of the participating agencies. As the transition plans are completed, the following participating agencies shall transfer information technology personnel, operations, projects, assets, and appropriate funding to the Department of Information Technology:

- ...
- (4) Department of Environmental ~~Quality~~ Quality, with the exception of the Commission for Preparedness and Recovery.

...."

SECTION 7.(a) G.S. 166A-19.12 reads as rewritten:

...

- (24) ~~The Division may contract for services from vendors specializing in housing, rehabilitation, or construction on private residential structures funded by State or federal funds provided to the State as a result of a disaster declared by the President under the Stafford Act or a disaster declared by the Governor under G.S. 166A-19.21. Nothing in this subdivision is intended to exempt the Division from other requirements of Article 8 of Chapter 143 of the General Statutes.~~
- (25) ~~The Division may contract for services from vendors specializing in housing elevation, acquisition, demolition, and mitigation reconstruction on private residential structures to implement the federal Hazard Mitigation Grant Program on behalf of the State or political subdivisions. Nothing in this subdivision is intended to exempt the Division from other requirements of Article 8 of Chapter 143 of the General Statutes.~~
- (26) ~~The Division may contract for services from vendors specializing in (i) repair, replacement, construction, or improvements to infrastructure or equipment on private residential structures or public structures damaged as a result of hazard mitigation and (ii) construction or improvement of infrastructure to support~~

~~hazard mitigation on private residential structures and public structures for the purpose of implementing hazard mitigation programs on behalf of the State or political subdivisions of the State. For the purposes of this subdivision, the term "infrastructure" includes nonresidential buildings that serve the public, water, sewer, and stormwater systems, and other publicly owned assets. Nothing in this subdivision is intended to exempt the Division from other requirements of Article 8 of Chapter 143 of the General Statutes.~~

...."

SECTION 7.(b) G.S. 166A-19.15 reads as rewritten:

"§ 166A-19.15. County and municipal emergency management.

...

(f) Additional Powers. – In carrying out the provisions of this Article each political subdivision is authorized to do the following:

(1) To appropriate and expend funds, make contracts, obtain and distribute equipment, materials, and supplies for emergency management purposes and to provide for the health and safety of persons and property, including emergency assistance, consistent with this Article.

(1a) To award contracts for the repair, rehabilitation, or construction of private residential structures funded by State or federal funds provided to the political subdivision as a result of a disaster declared by the Governor under G.S. 166A-19.21 covering the political subdivision. For purposes of contracts awarded under this subdivision for a particular disaster, a political subdivision is authorized to contract with contractors prequalified by the ~~Division~~ Commission for Preparedness and Recovery in accordance with G.S. 143-135.8 for that disaster. In so contracting, the political subdivision is not required to follow the procedures for prequalifying contractors set forth in G.S. 143-135.8. Nothing in this subdivision is intended to exempt a political subdivision from other requirements of Article 8 of Chapter 143 of the General Statutes.

...."

SECTION 8. This act becomes effective October 1, 2026.