

**2016 Ex. Sess. 3**

**SENATE  
APPROPRIATIONS –  
BASE BUDGET**

**MINUTES**



## MEMBERSHIP

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2016 Extra Session 3

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Elise McDowell, Clerk

Senator Kathy Harrington, Co-Chair  
300-C LOB 733-5734  
Mary Marchman, Clerk

Senator Brent Jackson, Co-Chair  
2022 LB 733-5705  
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Senator Chad Barefoot  
308 LOB 715-3036  
Eric Naisbitt

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1117 LB 733-5752  
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Senator Andrew Brock  
523 LOB 715-0690  
Judy Edwards

Senator Angela Bryant  
516 LOB 733-5878  
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519 LOB 715-8363  
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517 LOB 733-5804  
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1026 LB 733-3460  
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SENATE APPROPRIATIONS/BASE BUDGET COMMITTEE

2016 EXTRA SESSION 3



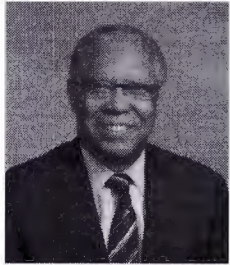
**Senator Harry Brown**  
Co-Chair



**Senator Kathy Harrington**  
Co-Chair



**Senator Brent Jackson**  
Co-Chair



**Senator Dan Blue**  
Member



**Senator Chad Barefoot**  
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**Senator Andrew Brock**  
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**Senator Angela Bryant**  
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Member



**Senator Jim Davis**  
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**Senator Joel Ford**  
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**Senator Valerie Foushee**  
Member



**Senator Ralph Hise**  
Member



**Senator Louis Pate**  
Member



**Senator Bill Rabon**  
Member



**Senator Shirley Randleman**  
Member



**Senator Gladys Robinson**  
Member



**Senator Bob Rucho**  
Member



**Senator Jerry Tillman**  
Member



**Senator Tommy Tucker**  
Member



**Senator Trudy Wade**  
Member





Principal Clerk \_\_\_\_\_  
Reading Clerk \_\_\_\_\_

**SENATE**  
**NOTICE OF COMMITTEE MEETING**  
**AND**  
**BILL SPONSOR NOTICE**

The Senate Committee on Appropriations/Base Budget will meet at the following time:

<b>DAY</b>	<b>DATE</b>	<b>TIME</b>	<b>ROOM</b>
Wednesday	December 14, 2016	9:00 AM	643 LOB

Senator Harry Brown, Co-Chair  
Senator Kathy Harrington, Co-Chair  
Senator Brent Jackson, Co-Chair



Principal Clerk  
Reading Clerk

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**Corrected #1: House Bill 2 added**

**SENATE**  
**NOTICE OF COMMITTEE MEETING**  
**AND**  
**BILL SPONSOR NOTICE**

The Senate Committee on Appropriations/Base Budget will meet at the following time:

<b>DAY</b>	<b>DATE</b>	<b>TIME</b>	<b>ROOM</b>
Wednesday	December 14, 2016	9:00 AM	643 LOB

The following will be considered:

<b>BILL NO.</b>	<b>SHORT TITLE</b>
HB 2	Disaster Recovery Act of 2016.

**SPONSOR**  
Representative Dollar  
Representative McGrady  
Representative J. Bell  
Representative Dixon

Senator Harry Brown, Co-Chair  
Senator Kathy Harrington, Co-Chair  
Senator Brent Jackson, Co-Chair



**Senate Committee on Appropriations/Base Budget  
Tuesday, December 14, 2016, 9:00 AM  
643 Legislative Office Building**

**AGENDA**

**Opening Remarks and Presentation of Committee Rules**

**Introduction of Pages**

**Bills:**

HB 2      Disaster Recovery Act of 2016.

Representative Dollar  
Representative McGrady  
Representative J. Bell  
Representative Dixon

**Adjournment**



**NORTH CAROLINA GENERAL ASSEMBLY  
SENATE**

**APPROPRIATIONS/BASE BUDGET COMMITTEE REPORT**

**Senator Brown, Co-Chair  
Senator Harrington, Co-Chair  
Senator B. Jackson, Co-Chair**

Wednesday, December 14, 2016

Senator Brown,  
submits the following with recommendations as to passage:

**FAVORABLE, AS AMENDED, UNENGROSSED**

<b>HB 2 (CS#1)</b>	Disaster Recovery Act of 2016.
	Draft Number: None
	Sequential Referral: Finance
	Recommended Referral: None
	Long Title Amended: No

**TOTAL REPORTED: 1**

Senator Brent Jackson will handle HB 2



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**Senate Committee on Appropriations/Base Budget  
Wednesday, December 14, 2016 at 9:00 AM  
Room 643 of the Legislative Office Building**

**MINUTES**

The Senate Committee on Appropriations/Base Budget met at 9:00 AM on December 14, 2016 in Room 643 of the Legislative Office Building. Nineteen members were present.

Senator Harry Brown, Co-Chair, presided.

Senator Brown called the meeting to order at 9:03 AM and recognized the Sergeant-at-Arms staff: Terry Barnhardt and Steve McKaig.

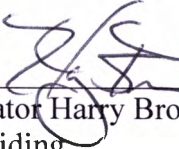
He then recognized Governor Pat McCrory for remarks regarding the recent disasters the state has faced and the need for the legislation being discussed in committee today.

After Governor McCrory's remarks, Senator Brown recognized Senator Brent Jackson, Co-Chair, to present **HB 2 Disaster Recovery Act of 2016. (Representatives Dollar, McGrady, J. Bell, Dixon).**

Senator Jackson then moved to amend the bill. See Attachment 7: H2-AMD-7 [v.2]. Senator Jackson briefly explained his clarifying amendment. Senator Jerry Tillman moved to adopt the amendment and Senator Tommy Tucker seconded the motion. The amendment was adopted unanimously.

Senator Jackson and Ben Stanley, Committee Counsel, summarized each section of the bill. After some discussion, Senator Tillman moved for a favorable report on the bill as amended, with amendments to remain unengrossed. Senator Trudy Wade seconded the motion. The motion carried.

The meeting adjourned at 10:07 AM.




  
\_\_\_\_\_  
Senator Harry Brown, Co-Chair  
Presiding

  
\_\_\_\_\_  
Elise McDowell, Committee Clerk

Attachments <sup>1</sup>~~(8)~~

1. Committee Notice
2. Agenda
3. Committee Report
4. Minutes
5. Committee Rules



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- 
- 
6. HB 2 Summary
  7. HB 2
  8. Amendment – H2-AMD-7 [v.2]
  9. Visitor Registration



**NORTH CAROLINA GENERAL ASSEMBLY  
SENATE APPROPRIATIONS/BASE BUDGET COMMITTEE  
2016 Third Extra Session**

**RULES  
12/14/2016**

The following rules govern the eligibility of amendments to House Bill 2:

1. Amendments cannot increase total spending appropriated for a stated purpose beyond the total authorized for that purpose in the bill. Amendments can only affect the administration of funds by a department for that purpose.
2. Amendments cannot increase total spending, from any source.
3. Amendments must pertain to disaster relief. Amendments cannot change substantive policy or law.





## HOUSE BILL 2: Disaster Recovery Act of 2016.

2015-2016 General Assembly

<b>Committee:</b>	Senate Appropriations/Base Budget	<b>Date:</b>	December 14, 2016
<b>Introduced by:</b>	Reps. Dollar, McGrady, J. Bell, Dixon	<b>Prepared by:</b>	Ben Stanley
<b>Analysis of:</b>	Third Edition		Staff Attorney

**OVERVIEW:** *House Bill 2 provides disaster relief to those affected by Hurricane Matthew, recent wildfires in the western part of the State, and Tropical Storms Hermine and Julia.*

**BILL ANALYSIS:** **Part I** of the bill titles the bill "The Disaster Recovery Act of 2016."

**Part II** of the bill sets forth findings about the damage caused by Hurricane Matthew and the recent wildfires in the western part of the State. It also notes that there are critical needs in the State that are not being met by existing State and federal programs.

**Part III** of the bill sets forth the counties that are covered by the act, which includes:

- Any county declared a major disaster by the President of the United States under the federal Stafford Act (P.L. 93-288) as a result of Hurricane Matthew, the wildfires in the Western part of the State, Tropical Storm Julia, or Tropical Storm Hermine.
- Any county that is part of the emergency area set forth in any of the following gubernatorial executive orders: Executive Order No. 97 (September 1, 2016), Executive Order No. 103 (September 22, 2016), Executive Order No. 107 (October 3, 2016), Executive Order No. 115 (November 10, 2016), or Executive Order No. 116 (November 16, 2016).

**Section 4.1** of the bill appropriates \$100,928,370 from the Savings Reserve Account and \$100,000,000 from the unappropriated General Fund balance and allocates those funds as follows:

- \$20,000,000 to the Housing Trust Fund for eligible projects under Chapter 122E of the General Statutes. The funds are required to directly benefit persons and families affected by the disasters whose incomes do not exceed one hundred percent (100%) of the area's median income, with adjustments for family size, according to the latest figures available from the U.S. Department of Housing and Urban Development.
- \$9,000,000 to the Division of Emergency Management to develop, implement, and fund disaster assistance programs to meet the emergency sheltering and short-term housing needs of individuals affected by Hurricane Matthew, the western wildfires, and Tropical Storms Julia and Hermine.
- \$11,500,000 to the Division of Emergency Management for resilient redevelopment planning in the 49 counties that were declared a major disaster declaration by the President of the United States.
- \$66,228,370 to the Division of Emergency Management to provide the State match for federal disaster assistance programs.

Karen Cochrane-Brown  
Director



Legislative Analysis  
Division  
919-733-2578

# House Bill 2

Page 2

- \$10,000,000 to the State Emergency Response and Disaster Relief Fund to ensure that sufficient funds are available to provide relief and assistance from future emergencies.
- \$5,000,000 to The Golden L.E.A.F. Foundation for the purpose of providing grants to eligible entities capable of making loans to small businesses affected by the disasters.
- \$20,000,000 to The Golden L.E.A.F. Foundation to provide grants to local governments to construct new infrastructure in areas outside the 100-year floodplain or to repair or replace existing infrastructure, including water, sewer, sidewalks, storm drainage, and similar infrastructure projects.
- \$10,000,000 to the Department of Commerce to provide grants to local governments to construct new infrastructure in areas outside the 100-year floodplain or to repair or replace existing infrastructure, including water, sewer, sidewalks, storm drainage, and similar infrastructure projects.
- \$10,000,000 to the Department of Environmental Quality for disaster-related infrastructure and cleanup needs including, but not limited to, repair of wastewater and drinking water systems, dam safety, emergency permitting, and solid waste cleanup. The Department of Environmental Quality is required to allocate a portion of these funds to assist local governments in mitigating the failure of burial sites.
- \$37,950,000 to the Department of Agriculture and Consumer Services to be further allocated for the following purposes:
  - \$25,500,000 to the North Carolina Forest Service for repairs and operational expenses at Claridge Nursery, wildfire response, and disaster-related timber restoration.
  - \$12,200,000 to the Division of Soil and Water Conservation for stream debris removal and non-field farm road repairs, and for supplemental funding of the Agricultural Water Resources Assistance Program to support disaster-related farm pond and dam repairs.
  - \$250,000 to the Research Stations Division for dike repairs at the Cherry Research Farm in Wayne County.
- \$1,000,000 to the Department of Insurance to provide grants to volunteer fire departments for repairs of damages caused by the disasters that were not covered by federal assistance or insurance proceeds.
- \$250,000 to the Department of Commerce, in consultation with the Economic Development Partnership of North Carolina, to assess the need for business assistance funds for businesses affected by the disasters.

**Section 4.2** provides that because the General Assembly will convene shortly after this bill is enacted and has continuing authority to address the State's disaster relief needs, the General Assembly finds that broad Executive expenditure flexibility over the funds appropriated in the bill is not warranted. This section accordingly prohibits the Governor from using funds appropriated in the bill to make budget adjustments under G.S. 143C-6-4 or to make reallocations under G.S. 166A-19.40(c).

**Section 4.3** requires that savings be effected where total amounts appropriated are not needed.

**Section 4.4** prevents funds appropriated in the act from reverting until the General Assembly directs their reversion.

**Section 5.1** grants the Governor the authority to establish time-limited positions to implement the act.



# House Bill 2

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**Section 5.2** requires the Governor to establish advisory councils to advise relevant State agencies on hurricane relief and recovery efforts.

**Section 5.3** provides that if a person's home is relocated or purchased with funds from the Hazard Mitigation Grant Program or the State Acquisition and Relocation Fund, the State Emergency Response and Disaster Relief Fund is subrogated to the person's rights under any insurance coverage for the damage to the home, and any monies received from the insurance coverage are required to be paid to the State Emergency Response and Disaster Relief Fund.

**Section 5.4** encourages State agencies to acquire goods and services from historically underutilized business vendors.

**Section 5.5** states that the General Assembly intends to review in 2017 and 2018 the adequacy of federal funds received for disaster management and to consider actions needed to address any remaining unmet needs. It also states that the General Assembly intends to review the adequacy of the resilient redevelopment planning measures funded by Subdivision (3) of Section 4.1 of this act at that time.

**Section 5.6** prohibits State funds appropriated in the bill from being used to construct new residences within the 100-year floodplain unless the construction is in an area regulated by a unit of local government pursuant to a floodplain management ordinance, and the construction complies with the ordinance. This section also provides that homeowners in the 100-year floodplain who receive homeowner's housing assistance pursuant to this act shall have in effect federal flood insurance, if available, as a precondition to receipt of State homeowner's housing assistance for losses resulting from future flooding.

**Section 5.7** provides that a local board of education that closed a school in the local school administrative unit or a regional school that was closed during the month of October 2016 due to unusual and extraordinary inclement weather conditions related to Hurricane Matthew for at least two consecutive school days shall be deemed to have completed any scheduled instructional hours and days in excess of those two days missed due to Hurricane Matthew during the month of October 2016. In addition, a charter school that closed during the months of October or November 2016 due to unusual and extraordinary inclement weather conditions related to Hurricane Matthew or to wildfires in the western part of the State for at least two consecutive school days shall be deemed to have completed any scheduled instructional hours and days in excess of those two days missed due to Hurricane Matthew or to wildfires in the Western part of the State during the months of October or November 2016. The Superintendent of Public Instruction must report to the General Assembly on the implementation of this section by March 10, 2017; and the schools impacted by this section must provide any information requested by the Superintendent to fulfill this reporting requirement by February 10, 2017.

**Section 5.8** requires the Office of State Budget and Management to report to the chairs of the House of Representatives and Senate Appropriations Committees and to the Fiscal Research Division on the implementation of the bill on a monthly basis or as otherwise requested by the Fiscal Research Division. It also requires non-State entities that receive or administer funds appropriated in the act to cooperate with the Office of State Budget and Management in meeting this reporting obligation.

**Section 5.9** grants the Governor the authority to waive certain DMV fees for residents of areas affected by Hurricane Matthew.

**Section 5.10** requires the Governor to ensure that funds appropriated in the bill are expended in a manner that does not adversely affect any person or entity's eligibility for federal funds that are made available, or that are anticipated to be made available, as a result of Hurricane Matthew, the western North Carolina wildfires, or Tropical Storms Hermine and Julia. It also instructs the Governor, to the

# House Bill 2

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extent practicable, to avoid using State funds to cover costs that will be, or likely will be, be covered by federal funds.

**Section 5.11** requires the Department of Commerce to transfer any disaster-related Community Development Block Grant Disaster Recovery Program funds to the Division of Emergency Management.

**EFFECTIVE DATE:** Section 6.1 provides that except as otherwise provided, the act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA  
THIRD EXTRA SESSION 2016**

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**HOUSE BILL 2  
Committee Substitute Favorable 12/13/16  
Third Edition Engrossed 12/13/16**

Short Title: Disaster Recovery Act of 2016.

(Public)

Sponsors:

Referred to:

December 13, 2016

A BILL TO BE ENTITLED  
AN ACT TO ENACT THE DISASTER RECOVERY ACT OF 2016.  
The General Assembly of North Carolina enacts:

**PART I. TITLE OF ACT**

**SECTION 1.1.** This act shall be known as "The Disaster Recovery Act of 2016."

**PART II. LEGISLATIVE FINDINGS****DAMAGE CAUSED BY HURRICANE MATTHEW AND THE WILDFIRES IN THE WESTERN PART OF THE STATE**

**SECTION 2.1.(a)** The General Assembly finds that Hurricane Matthew was one of the strongest hurricanes to form in the Atlantic Ocean in a decade and that it, along with Tropical Storms Julia and Hermine, caused widespread heavy rainfall, record flooding, and dozens of deaths in North Carolina. The General Assembly further finds that wildfires in the western part of the State burned tens of thousands of acres and destroyed hundreds of structures.

**SECTION 2.1.(b)** The General Assembly finds that as a result of Hurricane Matthew, the wildfires in western North Carolina, and Tropical Storms Julia and Hermine, the following has occurred:

- (1) Central and eastern North Carolina endured record-breaking rainfall that created 1,000-year flood events that devastated the people, infrastructure, businesses, and schools of entire communities.
- (2) At the height of Hurricane Matthew, 800,000 people were without power, nearly 3,750 were displaced from their homes, 635 roads were closed, 34 school systems were closed, and 28 people lost their lives.
- (3) Riverine flooding began several days after Hurricane Matthew passed and lasted more than two weeks. Several larger rivers reached well above major flooding levels, including the Tar, Cape Fear, Cashie, Lumber, and Neuse. On October 24, 2016, the last river that had reached flood stages finally returned to normal levels.
- (4) Forty-nine of the State's counties were declared a major disaster by the President of the United States under the Stafford Act (P.L. 93-288).
- (5) People lost their loved ones, their homes, their communities, their houses of worship, their life savings, their jobs, their family mementos, their pets, and their ways of life.



- (6) Entire towns were flooded to the rooftops as the water levels of rivers and streams throughout Eastern North Carolina crested at flood-stage heights far beyond those ever seen before in this State.
- (7) Approximately 88,000 homes were damaged with a total loss of more than \$967 million. Of these, 4,424 homes were completely destroyed. This damage represents an extraordinary economic loss as 68% of the damages, or \$659 million, is not expected to be covered by insurance or FEMA assistance.
- (8) More than 30,000 businesses suffered physical or economic damage. More than 400,000 employees were impacted.
- (9) More than 8,000 businesses have requested assistance due to physical or economic impact loss as a result of the storm. As of November 28, 2016, 614 businesses have completed complex Small Business Administration loan applications. Only 143 of these loan applications have been approved. The numbers suggest both the numbers of businesses that suffered physical damage as a result of the hurricane and the inability of many businesses in the region to take on additional debt. Without additional assistance, many businesses may not be able to reopen and jobs will be lost.
- (10) Caskets floated out of the saturated ground.
- (11) Local governments have suffered loss of infrastructure, damage to public buildings, roads, wastewater treatment plants, and other facilities. Public Assistance projects are in planning stages to repair facilities and roads, remove debris, and otherwise affect cleanup and repair of local government facilities. In addition, the damage from the storms to property and businesses has eroded the tax base of the counties affected. These counties must bear a loss of revenue at the same time they are shouldering the costs of replacing and repairing the infrastructure and meeting the additional needs of the population struggling to recover from the effects of the hurricane.
- (12) More than 62,000 total acres burned in North Carolina, including more than 25,000 acres on land protected by the State.
- (13) More than 2,400 emergency responders responded to the wildfires and related events.
- (14) Firefighters from 40 states joined North Carolina to assist in firefighting efforts, including teams from Florida, Idaho, Oregon, Utah, and Nevada.
- (15) Starting just weeks after Hurricane Matthew on October 23, 2016, and continuing throughout November, 26 major and dozens of smaller fires impacted air quality across the State.

#### **CRITICAL NEEDS NOT MET BY EXISTING STATE AND FEDERAL PROGRAMS AND FUNDS**

**SECTION 2.2.(a)** The General Assembly finds that the State and federal disaster relief initiatives are not intended to make individuals whole after a loss; they are intended to assist the affected areas in recovering from the damage caused by Hurricane Matthew, the western wildfires, and Tropical Storms Julia and Hermine.

Without significant additional State assistance to the area devastated by these events, further deterioration of the economy, the environment, public health and safety, and quality of life in the region is likely to occur. Without additional State assistance:

- (1) Many people in uninsured, damaged homes will either not qualify for federal housing assistance or not have the resources to take advantage of federal housing assistance.
- (2) Local governments already overwhelmed with storm-related expenses may not have the resources to repair damaged infrastructure and provide the new

1 infrastructure necessary for families relocating out of the flood and landslide  
2 zones and for businesses that are in the process of rebuilding.

3 (3) Jobs may be permanently lost because many cannot qualify for Small Business  
4 Administration loans.

5 (4) Many farmers who suffered significant losses may find it difficult to continue  
6 farming.

7 (5) Resources for drinking water protection, solid waste cleanup, hazardous waste  
8 cleanup, and remediation of high-risk storage tanks will be inadequate.

9 **SECTION 2.2.(b)** It is the intent of the General Assembly that the benefits of the  
10 projects and programs authorized by this act are for the common good and collective recovery of  
11 the people of this State following devastating natural disasters directly affecting a large portion of  
12 the State and indirectly affecting the entire State. The entire State faces a major loss if the counties  
13 that bore the major impact of these disasters are not offered the assistance provided by this act.  
14 The purpose of this act is to provide an ultimate net public benefit to the State through a successful  
15 recovery initiative.

### 16 17 **PART III. COUNTIES COVERED BY THIS ACT**

18 **SECTION 3.1.** Sections 2.1 through 4.4 of this act apply in the North Carolina  
19 counties that were any of the following:

20 (1) Declared a major disaster by the President of the United States under the  
21 Stafford Act (P.L. 93-288) as a result of Hurricane Matthew, wildfires in the  
22 western part of the State, Tropical Storm Julia, or Tropical Storm Hermine.

23 (2) Part of the emergency area set forth in any of the following gubernatorial  
24 executive orders: Executive Order No. 97 (September 1, 2016), Executive  
25 Order No. 103 (September 22, 2016), Executive Order No. 107 (October 3,  
26 2016), Executive Order No. 115 (November 16, 2016), or Executive Order No.  
27 116.

### 28 29 **PART IV. FUNDING OF DISASTER RELIEF**

#### 30 31 **APPROPRIATIONS AND ALLOCATIONS OF FUNDS FOR DISASTER RELIEF**

32 **SECTION 4.1.** In addition to any other funds appropriated during the 2016-2017  
33 fiscal year, there is appropriated from the Savings Reserve Account to the General Fund the sum  
34 of one hundred million nine hundred twenty-eight thousand three hundred seventy dollars  
35 (\$100,928,370) in nonrecurring funds for the 2016-2017 fiscal year and there is appropriated from  
36 the unappropriated General Fund balance the sum of one hundred million dollars (\$100,000,000)  
37 in nonrecurring funds for the 2016-2017 fiscal year. These funds shall be allocated as follows:

38 (1) \$20,000,000 shall be allocated to the Housing Trust Fund for eligible projects  
39 under Chapter 122E of the General Statutes. Notwithstanding G.S. 122E-6,  
40 these funds shall directly benefit persons and families affected by Hurricane  
41 Matthew, the western wildfires, or Tropical Storms Julia and Hermine whose  
42 incomes do not exceed one hundred percent (100%) of the area's median  
43 income, with adjustments for family size, according to the latest figures  
44 available from the U.S. Department of Housing and Urban Development.

45 (2) \$9,000,000 shall be allocated to the Division of Emergency Management to  
46 develop, implement and fund disaster assistance programs to meet the  
47 emergency sheltering and short-term housing needs of individuals affected by  
48 Hurricane Matthew, the western wildfires, and Tropical Storms Julia and  
49 Hermine.



- (3) \$11,500,000 shall be allocated to the Division of Emergency Management for resilient redevelopment planning. These funds shall be used to do the following:
- a. Oversee and facilitate strategic resiliency planning meetings at each of the 49 counties that were declared a major disaster by the President of the United States as a result of Hurricane Matthew as well as the five economic development regions that were affected by that storm.
  - b. Develop strategic, resilient redevelopment plans for each of these 49 counties.
  - c. Oversee the submission of county-approved strategic resiliency action plans for federal approval.
  - d. Provide redevelopment expertise, technical assistance, and administrative support to the 49 counties and economic regions throughout the planning, design, and implementation of action plans.
- (4) \$66,228,370 shall be allocated to the State Emergency Response and Disaster Relief Fund to provide the State match for federal disaster assistance programs.
- (5) \$10,000,000 shall be allocated to the State Emergency Response and Disaster Relief Fund to ensure that sufficient funds are available to provide relief and assistance from future emergencies, as authorized by G.S. 166A-19.42.
- (6) \$5,000,000 shall be allocated to The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation, for the purpose of providing grants to eligible entities capable of making loans to small businesses affected by Hurricane Matthew, the western wildfires, or Tropical Storms Julia and Hermine.
- (7) \$20,000,000 shall be allocated to The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation, to provide grants to local governments to construct new infrastructure required to support the development of new residential structures in areas outside the 100-year floodplain or repair or replace existing infrastructure. For purposes of this subdivision, infrastructure includes water, sewer, sidewalks, storm drainage, and other, similar projects that provide assistance or relief for Hurricane Matthew, the western wildfires, and Tropical Storms Julia and Hermine.
- (8) \$10,000,000 shall be allocated to the Department of Commerce to be further allocated to the Rural Economic Development Division to provide grants to local governments to construct new infrastructure required to support the development of new residential structures in areas outside the 100-year floodplain or repair or replace existing infrastructure. For purposes of this subdivision, infrastructure includes water, sewer, sidewalks, storm drainage, and other, similar projects that provide assistance or relief for Hurricane Matthew, the western wildfires, or Tropical Storms Julia and Hermine.
- (9) \$10,000,000 shall be allocated to the Department of Environmental Quality for disaster-related infrastructure and cleanup needs including, but not limited to, repair of wastewater and drinking water systems, dam safety, emergency permitting, and solid waste cleanup. The Department of Environmental Quality shall allocate a portion of these funds to assist local governments to mitigate the failure of burial sites and to take other steps necessary to protect the public health.
- (10) \$37,950,000 shall be allocated to the Department of Agriculture and Consumer Services to be further allocated for the following purposes:

- 1 a. \$25,500,000 to the North Carolina Forest Service for repairs and  
2 operational expenses at Claridge Nursery in Wayne County, wildfire  
3 response, and disaster-related timber restoration.  
4 b. \$12,200,000 to the Division of Soil and Water Conservation for stream  
5 debris removal and non-field farm road repairs and for supplemental  
6 funding of the Agricultural Water Resources Assistance Program to  
7 support disaster-related farm pond and dam repairs.  
8 c. \$250,000 to the Research Stations Division for dike repairs at the  
9 Cherry Research Farm in Wayne County.  
10 (11) \$1,000,000 shall be allocated to the Department of Insurance, Office of the  
11 State Fire Marshal, to provide grants to volunteer fire departments for repairs of  
12 damages caused by Hurricane Matthew, the wildfires in the western part of the  
13 State, and Tropical Storms Julia and Hermine that were not covered by federal  
14 assistance or by the proceeds of insurance policies.  
15 (12) \$250,000 shall be allocated to the Department of Commerce to assess, in  
16 consultation with the Economic Development Partnership of North Carolina,  
17 the need for business assistance funds for businesses affected by Hurricane  
18 Matthew, the western wildfires, and Tropical Storms Julia and Hermine. The  
19 Department may use funds allocated in this section to fund time-limited  
20 positions, as needed, within the Department or the Economic Development  
21 Partnership of North Carolina to conduct the assessment. On or before March 1,  
22 2017, the Department shall submit a report detailing its findings and making  
23 recommendations for the best process to administer recovery assistance funds  
24 to the Chairs of the House Appropriations Committee, the Chairs of the Senate  
25 Appropriations/Base Budget Committee, and the Fiscal Research Division.  
26

#### 27 **LIMITATIONS ON FUND USE**

28 **SECTION 4.2.** The General Assembly finds that the scope of the immediate needs  
29 produced by the devastation wrought by recent natural disasters in this State warrants taking the  
30 steps in this act. The General Assembly further finds that efforts to assess and address the damage  
31 will need to continue when the General Assembly returns for the 2017 Regular Session. Because  
32 the 2017 General Assembly will convene shortly and has continuing authority to address the  
33 State's disaster relief needs, the 2015 General Assembly finds that broad executive expenditure  
34 flexibility over the funds appropriated in this act is not warranted. Accordingly, the Governor shall  
35 not use funds appropriated in this act to make budget adjustments under G.S. 143C-6-4 or to make  
36 reallocations under G.S. 166A-19.40(c). Nothing in this section shall be construed to prohibit the  
37 Governor from exercising the Governor's authority under these statutes with respect to funds other  
38 than those appropriated in this act.  
39

#### 40 **EACH APPROPRIATION AND ALLOCATION IS MAXIMUM AND CONDITIONAL**

41 **SECTION 4.3.** The appropriations and allocations made in this act are for maximum  
42 amounts necessary to implement this act. Savings shall be effected where the total amounts  
43 appropriated or allocated are not required to implement this act.  
44

#### 45 **FUNDS DO NOT REVERT**

46 **SECTION 4.4.** Funds appropriated in or allocated in this act shall remain available to  
47 implement the provisions of this act until the General Assembly directs the reversion of any  
48 unexpended and unencumbered funds. G.S. 143C-6-23(f1)(1) shall not apply to funds  
49 appropriated in this act.  
50

#### 51 **PART V. IMPLEMENTATION OF ACT**

**AUTHORITY TO ESTABLISH TIME-LIMITED POSITIONS TO IMPLEMENT THIS ACT**

**SECTION 5.1.** The Governor may establish part-time and full-time personnel positions to implement this act. Positions established under this section are time-limited and exempt from the State Human Resources Act

**AUTHORITY TO ESTABLISH ADVISORY COUNCILS TO ADVISE STATE AGENCIES ON RECOVERY EFFORTS**

**SECTION 5.2.** The Governor shall establish advisory councils to advise relevant State agencies on hurricane relief and recovery efforts and to ensure input from representatives of affected communities and groups.

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

**SECTION 5.3.** If a person's home is relocated or purchased with funds from the Hazard Mitigation Grant Program or the State Acquisition and Relocation Fund, the State Emergency Response and Disaster Relief Fund is subrogated to the person's rights under any insurance coverage for the damage to the home, and any monies received from the insurance coverage shall be paid to the State Emergency Response and Disaster Relief Fund. The Division of Emergency Management shall ensure that those potentially affected by this section are notified of, and adhere to, its requirements.

**INVOLVEMENT OF HISTORICALLY UNDERUTILIZED BUSINESSES**

**SECTION 5.4.** It is the intent of the General Assembly that, during this time of rebuilding and relief efforts, each State agency should strive to acquire goods and services from historically underutilized business vendors, whether directly as principal contractors or indirectly as subcontractors or otherwise.

**LEGISLATIVE REVIEW OF FEDERAL FUNDING AND REMAINING UNMET NEEDS**

**SECTION 5.5.** It is the intent of the General Assembly to review in 2017 and 2018 the funds appropriated by Congress and to consider actions needed to address any remaining unmet needs. It is also the intent of the General Assembly to review the adequacy of the measures funded by subdivision (3) of Section 4.1 of this act at that time.

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

**SECTION 5.6.(a)** No State funds appropriated in this act may be expended for the construction of any new residence within the 100-year floodplain unless the construction is in an area regulated by a unit of local government pursuant to a floodplain management ordinance and the construction complies with the ordinance. As used in this section, "100-year floodplain" means any area subject to inundation by a 100-year flood, as indicated on the most recent Flood Insurance Rate Map prepared by the Federal Emergency Management Agency under the National Flood Insurance Program.

**SECTION 5.6.(b)** Homeowners in the 100-year floodplain who receive homeowner's housing assistance pursuant to this act shall have in effect federal flood insurance, if available, as a precondition to receipt of State homeowner's housing assistance for losses resulting from future flooding.

**SECTION 5.6.(c)** Funds loaned to small and mid-sized businesses shall be used only for eligible purposes under the Small Business Administration (SBA) disaster loan assistance program, as described in the Federal disaster declarations designated by the SBA as NC 14911 and



1 NC 14912. Payments for economic losses shall be limited to documented business expenses  
2 necessary for the continued operation of the business.  
3

#### 4 **FLEXIBILITY IN SCHOOL CALENDAR TO ACCOMMODATE EXTRAORDINARY** 5 **CIRCUMSTANCES**

6 **SECTION 5.7.(a)** Notwithstanding G.S. 115C-84.2(a)(1), if a local board of  
7 education closed any school in the local school administrative unit during the month of October  
8 2016 due to unusual and extraordinary inclement weather conditions related to Hurricane Matthew  
9 for at least two consecutive school days, that school shall be deemed to have completed any  
10 scheduled instructional hours and days in excess of those two days missed due to Hurricane  
11 Matthew during the month of October 2016. Teachers and other school employees employed for a  
12 10-month term are deemed to have been employed for the scheduled instructional days missed due  
13 to Hurricane Matthew in excess of those two days during the month of October 2016, and all other  
14 employees shall be compensated as if they had worked the scheduled instructional days missed  
15 due to Hurricane Matthew in excess of those two days during the month of October 2016.

16 **SECTION 5.7.(b)** Notwithstanding G.S. 115C-218.85(a)(1), if a charter school was  
17 closed during the months of October or November 2016 due to unusual and extraordinary  
18 inclement weather conditions related to Hurricane Matthew or to wildfires in the western part of  
19 the State for at least two consecutive school days, that charter school shall be deemed to have  
20 completed any scheduled instructional hours and days in excess of those two days missed due to  
21 Hurricane Matthew or to wildfires in the Western part of the State during the months of October or  
22 November 2016.

23 **SECTION 5.7.(c)** Notwithstanding G.S. 115C-238.53(d) and G.S. 115C-238.66(1)d.,  
24 if a regional board of directors closed a regional school under that board's control during the  
25 month of October 2016 due to unusual and extraordinary inclement weather conditions related to  
26 Hurricane Matthew for at least two consecutive school days, that regional school shall be deemed  
27 to have completed any scheduled instructional hours and days in excess of those two days missed  
28 due to Hurricane Matthew during the month of October 2016. Teachers and other school  
29 employees employed for a 10-month term are deemed to have been employed for the scheduled  
30 instructional days missed due to Hurricane Matthew in excess of those two days during the month  
31 of October 2016, and all other employees shall be compensated as if they had worked the  
32 scheduled instructional days missed due to Hurricane Matthew in excess of those two days during  
33 the month of October 2016.

34 **SECTION 5.7.(d)** The Superintendent of Public Instruction shall report to the Chairs  
35 of the House of Representatives and Senate Appropriations Committees and to the Fiscal Research  
36 Division of the General Assembly on the implementation of this section by local school  
37 administrative units, charter schools, and regional schools by March 10, 2017, and shall also  
38 provide any additional reports or information requested by the Fiscal Research Division. Local  
39 school administrative units, charter schools, and regional schools shall provide information on  
40 implementation of this section in the form requested by the Superintendent of Public Instruction  
41 no later than February 10, 2017.  
42

#### 43 **REPORTING REQUIREMENTS**

44 **SECTION 5.8.** The Office of State Budget and Management shall report to the Chairs  
45 of the House of Representatives and Senate Appropriations Committees and to the Fiscal Research  
46 Division of the General Assembly on the implementation of this act on a monthly basis and shall  
47 also provide any additional reports or information requested by the Fiscal Research Division. Each  
48 report required by this section shall include information about all funds expended or encumbered  
49 pursuant to this act as of the date of the report, regardless of which State agency or non-State  
50 entity administers the funds. Non-State entities that administer or receive any funds appropriated

1 in this act shall assist and fully cooperate with the Office of State Budget and Management in  
2 meeting the Office's obligations under this section.

### 3 4 **WAIVER OF CERTAIN DMV FEES**

5 **SECTION 5.9.(a)** Notwithstanding G.S. 20-14, 20-37.7, 20-85, and 20-88.03, the  
6 Governor may waive any fees assessed by the Division of Motor Vehicles under those sections for  
7 the following:

- 8 (1) A duplicate drivers license, commercial drivers license, or special identification  
9 card.
- 10 (2) A special identification card issued to a person for the first time.
- 11 (3) An application for a duplicate or corrected certificate of title.
- 12 (4) A replacement registration plate.
- 13 (5) An application for a duplicate registration card.
- 14 (6) Late payment of a motor vehicle registration renewal fee.

15 **SECTION 5.9.(b)** The waiver authorized under subsection (a) of this section applies  
16 only to residents of counties impacted by Hurricane Matthew, as determined by the Governor.

17 **SECTION 5.9.(c)** This section is effective when it becomes law and applies to fees  
18 assessed or collected on or after October 1, 2016. This section expires December 1, 2016.

### 19 20 **ADDITIONAL LIMITATIONS ON USE OF FUNDS**

21 **SECTION 5.10.** 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 Matthew, the western North Carolina wildfires, or Tropical Storms Julia and Hermine. The  
25 Governor shall also, to the extent practicable, avoid using State funds to cover costs that will be,  
26 or likely will be, covered by federal funds.

### 27 28 **FACILITATE USE OF COMMUNITY DEVELOPMENT BLOCK GRANTS FOR** 29 **DISASTER RELIEF**

30 **SECTION 5.11.(a)** Notwithstanding any other provision of law, all Community  
31 Development Block Grant Disaster Recovery Program funds received by the Department of  
32 Commerce in response to the declarations and executive orders described in Section 3.1 of this act  
33 shall be transferred to the Emergency Management Division of the Department of Public Safety.

34 **SECTION 5.11.(b)** The Emergency Management Division shall assist the Department  
35 of Commerce in fulfilling any reporting requirements arising from receipt of the Disaster  
36 Recovery Program funds described in subsection (a) of this section.

### 37 38 **REQUIRE REPLENISHING OF SAVINGS RESERVE ACCOUNT**

39 **SECTION 5.12.** The Governor's Recommended State Budget for the 2017-2018 fiscal  
40 year shall include a recommendation to transfer to the Savings Reserve Account the amount of  
41 funds appropriated from that Reserve in Section 4.1 of this act.

### 42 43 **PART VI. EFFECTIVE DATE**

44 **SECTION 6.1.** Except as otherwise provided, this act is effective when it becomes  
45 law.



**NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
House Bill 2**

H2-AMD-7 [v.2]

AMENDMENT NO. \_\_\_\_\_  
(to be filled in by  
Principal Clerk)

Page 1 of 1

Amends Title [NO]  
Third Edition

Date December 14, 2016Senator B. Jackson

1 moves to amend the bill on page 4, line 45-47, by rewriting the lines to read:

2 "shall do all of the following:

- 3 a. Allocate a portion of these funds to assist local governments to mitigate  
4 the failure of burial sites and to take other steps necessary to protect the  
5 public health.  
6 b. Use, in conjunction with the Department of Health and Human Services,  
7 a portion of these funds to provide grants to assist with the repair,  
8 replacement, or removal of septic tank systems related to damage  
9 caused by flooding in the wake of Hurricane Matthew."

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

☒

FAILED

☐

TABLED

☐


\* H 2 - A M D - 7 - V - 2 \*



## VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

December 14, 2016

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Ruth Falph	750 Weaver Dairy Rd #3106 Chapel Hill
Phoebe Haddon	HWC
Kelly Kingsbury	3P
Don Grano	SA
Emily Small	SCST
Doris Church-Rogers	SCSS
DA	GLF
Nelson Freeman	DOR
Daniel Bann	Thompson Sanders
Sarah Hardin	NCEL
Kara Weishaar	SA



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Howard Robinson	NCKMA
Lexi Arthur	NCKMA
Jake Cashie	MCC
Nathan Babcock	PPAB
Steven Weiss	NCKMA
Paul Sherman	NCFB
Isabel Villa-Grozier	NCREATORS
Cathy Thorne	Focus Insurance
Wendy Kelly	Focus Carolina
JOE LANIER	TSS
Fred Steen	DES





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Guar Vieh	Duke Energy
Joy Adams	AZDA/ECS
Brian Perkins	DNHS
William Coole	NCDIT
LAURA PURYEAR	WALK WEST
PAT CLARK	Moral Monday Movement
RUTH DZAU	Moral Monday Movement
Joz Tunell	Duke Energy
Sarah Collins	NCLM
Caroline Miller	AMGA
MICHAEL EISENBERG	MORAL MONDAY



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Caroline Thomas	NC DEQ
Paul Hyman	Infarm Inc.
Mark Scapp	PAAC
Byron D. Hellenberg	Like Hellenberg Group
Adam Pridmore	NCAST
Kimberly van Noord	UNC
Drew Metz	UNC GA
Sarah Stone	NCSU
Rachel Beal	NCDPI
Tom West	NICU
Henry M Lancaster	LCA



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Paul Bles	Indy week
Sam Bridges	Town of Garner
AMBERA HOEKSTRA	NCACC
Johanna Reese	NCACC
Tim Crowley	NCAE
MARK GRABOWSKI	NC STATE HEALTH PLAN
John Caggion	NC Rural Center
JASON GRUBB	NC Rural Center
JOHN MICHAEL	
Dirk Carter	Law of y, RHC PLLC



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December 14, 2016

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Date \_\_\_\_\_

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NAME \_\_\_\_\_

FIRM OR AGENCY AND ADDRESS

Kay Castillo

NASW-NC

Valerie Arendt

National Association of Social Workers NC

Paul Newton

Senator-elect DISTR 36

Seth Cooper

## Capital City Strategies

Padraig Gilbane

## Capital City Strategies





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NAME

FIRM OR AGENCY AND ADDRESS

Maisha Jenkins

DNCR

Greysen Whitaker

Sen. W. Daniel, NGFA

Rockelle Spauld

CFSM

Carson Huie

MVA

