GENERAL ASSEMBLY OF NORTH CAROLINA **SESSION 2025**

H D

HOUSE BILL 47 PROPOSED COMMITTEE SUBSTITUTE H47-PCS40056-NBa-1

Short Title: Disaster Recovery Act of 2025 - Part I. (Public) Sponsors: Referred to:

February 5, 2025 A BILL TO BE ENTITLED AN ACT TO PROVIDE ADDITIONAL APPROPRIATIONS AND EXTEND REGULATORY FLEXIBILITY FOR COMMUNITIES AND CITIZENS IMPACTED BY HURRICANE HELENE. The General Assembly of North Carolina enacts: PART I. TITLE AND SCOPE OF ACT **SECTION 1.1.** Title. – This act shall be known as "The Disaster Recovery Act of 2025 - Part I." **SECTION 1.2.** Maximum Amounts; Effectuate Savings. – The appropriations and allocations made in this act are for maximum amounts necessary to implement this act. Savings shall be effected where the total amounts appropriated or allocated are not required to implement this act. **SECTION 1.3.** Scope. – Unless otherwise provided, Part II of this act applies to the North Carolina counties in the affected area, as defined in Section 1.4 of this act. **SECTION 1.4.** Definitions. – Unless otherwise provided, the following definitions apply in this act: Affected area. – The counties designated before, on, or after the effective date (1) of this act under a major disaster declaration by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Helene. (2) CDBG-DR. – Community Development Block Grant – Disaster Recovery. FEMA. – The Federal Emergency Management Agency. (3) Helene Fund. – The Hurricane Helene Disaster Recovery Fund established in (4) Section 4.1 of S.L. 2024-51.

21 22 23

- NCEM. The Division of Emergency Management of the Department of (5) Public Safety.
- (6) OSBM. – The Office of State Budget and Management.
- SERDRF. The State Emergency Response and Disaster Relief Fund (7) established in G.S. 166A-19.42.

29 30 31

32

33

34

1 2

3

4

5

6 7

8

9

10

11 12

13

14

15

16 17

18

19

20

24

25

26

27

28

PART II. DISASTER RECOVERY APPROPRIATION, TRANSFER, AND PROGRAMS

SECTION 2.1. Transfer. – Notwithstanding G.S. 143C-4-2, the State Controller shall transfer the sum of two hundred seventy-five million dollars (\$275,000,000) from the SERDRF to the Helene Fund.



SECTION 2.2. Appropriation. – There is appropriated from the Helene Fund the sum of five hundred million dollars (\$500,000,000) in nonrecurring funds for the 2025-2026 fiscal year, as follows:

- (1) One hundred fifty million dollars (\$150,000,000) to the Department of Commerce, Division of Community Revitalization, for the Home Reconstruction and Repair Program (Program). The Program shall be CDBG-DR compliant and consistent with the United States Department of Housing and Urban Development's Universal Notice in 90 FR 1754 to ensure maximum reimbursement from federal funds when those funds become available.
- (2) One hundred fifty million dollars (\$150,000,000) to the Department of Agriculture and Consumer Services, Division of Soil & Water Conservation, for the following purposes:
 - a. Natural restoration projects that enable farmers in the affected area to resume production and protect communities against additional flood damage. Eligible projects include stream debris removal, streambank stabilization, stream restoration, cropland restoration, farm road repair, and reconstruction of best management practices.
 - b. Cost-share, engineering, and technical assistance for eligible projects. The Department may use these funds across programs to maximize impact and federal funding.
- (3) One hundred million dollars (\$100,000,000) to NCEM for the Private Road and Bridge Repair and Replacement Program in accordance with Section 2.3 of this act.
- (4) Sixty million dollars (\$60,000,000) to OSBM to allocate for the repair and renovation of State facilities damaged by Hurricane Helene, including repairs to State parks, State forests, health care facilities, and other facilities that suffered damage. These funds shall also be used to repair the two State correctional institutions in western North Carolina that closed due to damage from Hurricane Helene. Federal funds shall be used to complete these projects where possible.
- (5) Twenty million dollars (\$20,000,000) to OSBM to distribute to State agencies and units of local government for debris removal unmet needs. The Governor's Recovery Office for Western North Carolina (GROW-NC) and NCEM shall assist OSBM in coordinating the debris removal with relevant State agencies and local stakeholders. OSBM shall prioritize using these funds to address identified gaps in debris cleanup not met by other federal and State programs.
- (6) Ten million dollars (\$10,000,000) to NCEM to provide grants to Volunteer Organizations Active in Disaster (VOADs) assisting with disaster response and recovery efforts in the affected area.
- (7) Ten million dollars (\$10,000,000) to the Office of the State Fire Marshal to disburse as grants to small and volunteer fire departments in the affected area to cover expenses incurred due to Hurricane Helene and to purchase equipment or make capital improvements to assist with readiness for future emergency response.

SECTION 2.3.(a) Private Road and Bridge Repair and Replacement Program. – The Private Road and Bridge Repair and Replacement Program (Program) is established within NCEM to disburse grants for the repair and replacement of private roads and bridges damaged or destroyed by Hurricane Helene. NCEM shall consult with the Department of Transportation in administering the Program and shall develop criteria and an application process to select private roads and bridges eligible for repair or replacement consistent with this subsection.

NCEM shall prioritize applications for the repair and replacement of private roads or bridges that provide the sole option for ingress and egress for (i) emergency services to a residential property that is occupied by the owner for more than six months of the calendar year, (ii) multiple residential homes, or (iii) recreation or commercial facilities. These funds may also be used to provide technical support and assistance for individuals and local governments to comply with no-rise certification requirements required by FEMA under the National Flood Insurance Program.

SECTION 2.3.(b) Federal Funding. – If federal assistance or alternative funds are available for the same purposes in subsection (a) of this section, NCEM shall not duplicate efforts or benefits and take all reasonable steps to obtain that federal assistance or alternative funds prior to obligating funds for the Program with State funds.

SECTION 2.3.(c) Reporting Requirement. – NCEM shall annually report to the Joint Legislative Emergency Management Oversight Committee and the Fiscal Research Division beginning on June 30, 2025, and ending on June 30, 2029, on the Program. The report shall include, at a minimum, all of the following:

- (1) The criteria used for awarding funds.
- (2) The locations of any roads or bridges replaced.
- (3) The average grant amount requested and disbursed.
- (4) The number of projects requested, declined, and funded.
- (5) The identification of unmet needs remaining at the end of each fiscal year for private road or bridge repair or replacement.

PART III. EXTENSION OF STATE OF EMERGENCY

SECTION 3.1. In accordance with G.S. 166A-19.20(c)(2), the statewide declaration of emergency issued by the Governor in Executive Order No. 315, concurred to by the Council of State, and extended by Section 3.1 of S.L. 2024-51, is further extended until June 1, 2025.

PART IV. REVERSION, LIMITATION, AND REPORTING OF FUNDS

SECTION 4.1.(a) Reversion. – Except as otherwise provided, funds appropriated under Part II of this act shall revert to the Savings Reserve if not expended or encumbered by June 30, 2030.

SECTION 4.1.(b) Receipt of Allocations. – A recipient of State funds under this act shall use best efforts and take all reasonable steps to obtain alternative funds that cover the losses or needs for which the State funds are provided, including funds from insurance policies in effect and available federal aid. State funds paid under this act are declared to be excess over funds received by a recipient from the settlement of a claim for loss or damage covered under the recipient's applicable insurance policy in effect or federal aid. Where a recipient is an institution of higher education or a non-State entity, the requirement regarding alternative funds, and the calculation of alternative funds received, under this subsection includes seeking private donations to help cover the losses or needs for which State funds are provided. An agency awarding State funds for disaster relief shall include a notice to the recipient of the requirements of this subsection.

SECTION 4.1.(c) Remittance of Funds. — If a recipient obtains alternative funds pursuant to subsection (b) of this section, the recipient shall remit the funds to the State agency from which the State funds were received. A recipient is not required to remit any amount in excess of the State funds provided to the recipient under this act. The State agency shall transfer these funds to the Savings Reserve.

SECTION 4.1.(d) Contract Requirements. – Any contract or other instrument entered into by a recipient for receipt of funds under this act shall include the requirements set forth in subsections (b) and (c) of this section.

3 4 5

1 2

20 21 22

17

18

19

23 24 25

26 27 28

29 30 31

> 34 35 36

32

33

38 39

37

44

45

46

47 48 49

51

(1) Helene I: 50 a.

SECTION 4.1.(e) Limitation on Powers of Governor. – The Governor may not use the funds described in this act to make budget adjustments under G.S. 143C-6-4 or to make reallocations under G.S. 166A-19.40(c). Nothing in this act shall be construed to prohibit the Governor from exercising the Governor's authority under these statutes with respect to funds other than those described in this act.

SECTION 4.1.(f) Directive. – The Governor shall ensure that funds allocated in this act are expended in a manner that does not adversely affect any person's or entity's eligibility for federal funds that are made available, or that are anticipated to be made available, as a result of natural disasters. The Governor shall also, to the extent practicable, avoid using State funds to cover costs that will be, or likely will be, covered by federal funds.

SECTION 4.1.(g) Allocation Reporting Requirements. – Beginning May 15, 2025, for the previous quarter, OSBM shall report to the chairs of the House of Representatives and Senate Appropriations Committees and to the Fiscal Research Division of the General Assembly on the implementation of this act on a quarterly basis until the end of the quarter in which all funds are expended and shall also provide any additional reports or information requested by the Fiscal Research Division. In reporting on the use of State disaster recovery and assistance funds expended pursuant to this act and federal funds received by State agencies for disaster relief and recovery efforts, OSBM shall include, regardless of which State agency, federal agency, or non-State entity that administers the funds, all of the following for each program:

- (1) The purpose of the program.
- (2) The responsible department or agency.
- (3) Current, year-to-date, and total cumulative funds appropriated, receipted from non-State sources, expended, encumbered, and obligated by program and by source of funds.
- (4) A summary of activities.
- The total program spending by county, where practicable. (5)
- Funds returned to the Savings Reserve pursuant to subsection (c) of this (6) section, as applicable.

Non-State entities that administer or receive any funds appropriated in this act shall assist and fully cooperate with OSBM in meeting OSBM's obligations under this section.

SECTION 4.1.(h) Relationship to Previous Reporting Requirements. – Subsection (g) of this section supersedes Section 7.1(h) of S.L. 2024-51, as amended by Section 5.6 of S.L. 2024-53, and Section 3.1(g) of S.L. 2024-53 (collectively, the prior reporting requirements). In cases of any conflict between the prior reporting requirements and subsection (g) of this section, the language in subsection (g) of this section shall prevail.

PART V. DISASTER RECOVERY REGULATORY AND PROCUREMENT **FLEXIBILITY**

EXPIRATION DATES EXTENSION OF FOR CERTAIN REGULATORY **FLEXIBILITY PROVISIONS**

SECTION 5.1. The following provisions of S.L. 2024-51 (Helene I), S.L. 2024-53 (Helene II), and S.L. 2024-57 (Helene III) providing regulatory flexibility and (i) expiring, ending, or otherwise limited in applicability, on any day of March 2025 or (ii) for which no expiration date is specified are, notwithstanding any provisions of those acts to the contrary, extended to the date of expiration of the statewide declaration of emergency issued by the Governor in Executive Order No. 315, concurred to by the Council of State, and extended pursuant to S.L. 2024-51, this act, or any other enactment of a general law:

> Section 10.1 ("Funding Flexibility for Drinking Water and Wastewater Infrastructure Projects").

General Assembly Of North Carolina Section 10.3 ("Storm Debris Open Burning Regulatory Relief"). 1 b. 2 Section 16.1 ("Extend Grace Period for Corporations, Nonprofits, and c. 3 LLCs in FEMA-Designated Counties to Correct Grounds for 4 Administrative Dissolution"). 5 (2) Helene II: 6 a. Section 4E.1 ("Authorize State Agencies to Exercise Regulatory 7 Flexibility for Employment-Related Certifications"). 8 Section 4E.3 ("Flexibility for Building Permit Issuance/Inspections in b. 9 Disaster Area"). 10 Helene III: (3) 11 Section 1C.1 ("Extension of MH/DD/SUS Facility Licenses and License Renewal Deadlines"). 12 13 Section 1C.3 ("Extension of Registrations and Registration Renewal b. 14 Deadlines for Multiunit Assisted Housing with Services Facilities"). Section 1C.4 ("Extension of Adult Care Home and Family Care Home 15 c. Licenses and License Renewal Deadlines"). 16 17 Section 1C.5 ("Extension of Deadline for Renewal of Adult Care d. Home Administrator Certification and Completion of Continuing 18 19 Education Requirements"). Section 1D.6 ("Temporary Pump and Haul Wastewater Permits"). 20 e. Section 1D.7 ("Authorize Waiver of Submission and Approval of 21 f. 22 Sedimentation Pollution Control Plan Prior to Initiation of Land-Disturbing Activities in Certain Circumstances"). 23 Section 1D.8 ("Tree Ordinance Restriction in Disaster Declared 24 g. 25 Counties"). Section 1E.1 ("Extend Certain Concealed Handgun Permits"). 26 h. 27 i. Section 1F.4 ("Authorize the Office of the State Fire Marshal to

PART VI. MISCELLANEOUS PROVISIONS

Dwellings").

31 32 33

34

35

28

29

30

EFFECT OF HEADINGS

36 37

38

39

40

SECTION 6.1. The headings to the parts and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act, except for effective dates referring to a part or section.

Promulgate Rules for Temporary Manufactured and Modular

SEVERABILITY CLAUSE

SECTION 6.2. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

41 42 43

44

45

EFFECTIVE DATE

SECTION 6.3. Except as otherwise provided, this act is effective when it becomes law.