

January 31, 2005

**S 7. HURRICANE RECOVERY ACT OF 2005.** TO ENACT THE HURRICANE RECOVERY ACT OF 2005, MAKING FINDINGS AS TO DAMAGE CAUSED BY THE HURRICANES THAT STRUCK NORTH CAROLINA IN 2004, CONCERNING ESTABLISHMENT OF THE DISASTER RELIEF RESERVE FUND, MAKING APPROPRIATIONS TO THE DISASTER RELIEF RESERVE FUND, DIRECTING THE REESTABLISHMENT AND MODIFICATION OF HURRICANE FLOYD RECOVERY PROGRAMS, AUTHORIZING ESTABLISHMENT OF NEW PROGRAMS, EXPANSION OF EXISTING PROGRAMS, AND MODIFICATION OF EXISTING PROGRAMS TO IMPLEMENT THIS ACT, AUTHORIZING TRANSFER OF FUNDS TO FEDERAL AGENCIES AND LOCAL GOVERNMENTS, AUTHORIZING TIME-LIMITED POSITIONS TO IMPLEMENT THIS ACT, PROVIDING FOR SUBROGATION BY THE STATE OF CERTAIN INSURANCE CLAIMS, AUTHORIZING ADVISORY COUNCILS TO ADVISE STATE AGENCIES ON RECOVERY EFFORTS, PROVIDING FOR TAX EXEMPTION OF BENEFITS, DIRECTING THE MAPPING OF FLOOD PLAINS AND THE IDENTIFICATION OF POTENTIAL LANDSLIDE AREAS AND STREAM BANK EROSION, DIRECTING THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO STUDY THE CAUSES OF FLOODING IN CERTAIN AREAS AND DETERMINE MEASURES TO PREVENT OR MITIGATE FUTURE FLOODING, DIRECTING THE GOVERNOR TO MAINTAIN THE REDEVELOPMENT OFFICE IN WESTERN NORTH CAROLINA, AND ESTABLISHING REPORTING REQUIREMENTS. As title indicates, applicable to (1) Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Watauga, and Yancey counties, which sustained damage from Hurricane Frances or Ivan; (2) the 26 counties designated as eligible for individual assistance for damage sustained during Hurricanes Frances and Ivan; and (3) counties included in a 2004 State disaster declaration issued under GS Ch. 166A, Art. 1, if the Governor chooses to bring them within the act's scope. Transfers \$91 million from 2004-2005 General Fund reversions and appropriates \$225 million from Savings Reserve Account to Disaster Relief Fund for 2004-05 to aid designated counties. Requires that Governor spend monies from the Disaster Relief Fund to assist counties in following areas: provide a match for federal funds for disaster relief; fund crisis housing, economic recovery assistance, and public health and safety, social services, and environmental recovery measures; and provide support to local governments to offset revenue losses resulting from storm damage. Further requires that the Governor: (1) establish a grant program for qualified businesses and trout farmers to cover certain uninsured losses of equipment, structure, and inventory; (2) modify the State Hazard Mitigation Grant Program to provide housing buyouts and relocation assistance for persons whose homes were damaged or lost; and (3) reestablish Hurricane Floyd programs and establish new programs to provide disaster relief.

Amends G.S. 105-134.6(b) and GS 105-130.5(b), effective for taxable years beginning Jan. 1, 2004, to allow deduction from NC taxable income of amounts paid to taxpayer from Disaster Relief Reserve Fund for hurricane relief, but not including payments for goods or services provided by the taxpayer. Prohibits the use of funds used to implement act, including those in the Disaster Relief Fund, for construction of any new residence within the 100-year floodplain unless in an area regulated by a unit of local government pursuant to a floodplain management ordinance, and requires that homeowners receiving housing assistance under act have federal flood insurance in effect. Further requires that funds loaned to small and mid-sized businesses under act shall be used only for purposes outlined in the Small Business Administration disaster loan assistance program. Amends GS 105-129.42(c) to provide that qualified residential units in the 19 listed counties are eligible for low-income housing credit at higher rate of 30% of basis, effective for taxable years 2005 through 2008. Requires Dep't of Environment and Natural Resources to study and report on the causes of flooding in specified areas. Requires that Governor report to the Jt. Legis. Comm'n on Governmental Operations on act's implementation on a monthly basis during the first quarter of 2005-06 and on a quarterly basis thereafter.

**Intro. by Nesbitt.**

Ref. to Appropriations

GS 105, APPROP, STUDY

February 16, 2005

**S 7. HURRICANE RECOVERY ACT OF 2005.** Intro. 1/31/05. Senate committee substitute makes the following changes to 1st edition. Requires that \$3 million in unused grant and loan funds allocated to the NC Community Development Initiative, Inc. for Hurricane Floyd Recovery programs revert to the General Fund. Appropriates \$3 million for 2004-05 from the General Fund to the Office of State Budget and Management, Disaster Relief Reserve Fund, for purposes set forth in act. Reduces amount appropriated from the Savings Reserve Account to Disaster Relief Fund for 2004-05 to \$120,541,447 (was, \$225 million). Provides that funds appropriated in act to the Disaster Relief Fund for 2004-05 shall also be used for purpose set out in Part 6 (mapping of flood plains and landslide zones) and Part 7 (to study measures designed to prevent or mitigate flooding). Requires that Governor report to the Jt. Legis. Comm'n on Governmental Operations before modifying the allocation of funds set forth in the Report of the Senate Appropriations/Base Budget Committee on act. Deletes provision requiring that Governor establish grant program for qualified businesses and trout farmers. Requires that the Dep't of Crime Control and Public Safety modify the Crisis Housing Assistance Fund to provide money to persons who do not qualify for the federal Small Business Administration's Real Property Disaster loan program, applying same criteria used to determine eligibility for that federal program. Enacts new Sections 5.1.(e)-(h) and 7.(b) to require that of funds appropriated by act to the Disaster Relief Reserve Fund for 2004-05, the following amounts shall be allocated for purposes listed: (1) \$4.5 million for a grant to the Town of Canton for levee repairs needed to protect the Blue Ridge Paper Products wastewater treatment plant; (2) \$8 million to Hyde County to reconstruct the Hyde County Courthouse and repair other county buildings in Courthouse Annex damaged as a result of Hurricane Isabel; (3) \$5 million to the Rural Economic Development Center to be used for economic infrastructure through the Small Town Building Reuse and Restoration Program; (4) \$2 million to the Dep't of Environment and Natural Resources, Div'n of Forest Resources, to repair or relocate facilities; and (5) \$3 million to the Dep't of Environment and Natural Resources to study causes of flooding in Canton, Clyde, Biltmore Village, the City of Newland, and other affected areas. Authorizes Director of the Budget to transfer up to \$30 million from the Savings Reserve Account to the Disaster Relief Reserve Fund to implement the recommendations of the studies authorized by Sec. 7. Deletes amendments to GS 105-129.42(c), Housing Tax Credit. Changes effective date of amendments to GS 105-134.6(b) and 105-130.5(b) to January 1, 2005 (was, 2004). Adds requirement that Governor report to the House and Senate Appropriations Committees regarding the implementation of act within 30 days of enactment and monthly thereafter until 2005 Session adjournment. Makes technical and conforming changes.

**S 7. HURRICANE RECOVERY ACT OF 2005.** Intro. 1/31/05. Senate amendment makes the following changes to 2nd edition. Allocates \$3 million of funds appropriated by act to the Disaster Relief Reserve Fund for 2004-05 to NC Community Development Initiative, Inc., to be used for housing programs and assistance. Makes technical changes.

February 21, 2005

**S 7. HURRICANE RECOVERY ACT OF 2005.** Intro. 1/31/05. House committee substitute makes the following changes to 3rd edition. Increases appropriation from the Savings Reserve Account to the Disaster Relief Reserve Fund for 2004-05 to \$123,541,447 (was \$120,541,447). Provides that allocation of funds contained in the Report of the House Appropriations Committee on the Hurricane Recovery Act of 2005 dated February 17, 2005 (was, Senate Appropriation Committee Report of February 16, 2005) is intended as guidance for the Governor. Reduces appropriation from the Disaster Relief Reserve Fund to the Dep't of Environment and Natural Resources, Div'n of Forest Resources, to \$500,000 (was, \$2 million) for forestland restoration and fire prevention activities needed due to hurricane damage and deletes provision allowing funds to also be used for repair and relocation of Div'n facilities damaged by hurricanes. Clarifies that tax deduction for hurricane relief is effective beginning with 2004 tax year.

February 28, 2005

**SL 2005-1 (S 7). HURRICANE RECOVERY ACT OF 2005. AN ACT TO ENACT THE HURRICANE RECOVERY ACT OF 2005, MAKING FINDINGS AS TO DAMAGE CAUSED BY**

THE HURRICANES THAT STRUCK NORTH CAROLINA IN 2004, CONCERNING ESTABLISHMENT OF THE DISASTER RELIEF RESERVE FUND, MAKING APPROPRIATIONS TO THE DISASTER RELIEF RESERVE FUND, DIRECTING THE REESTABLISHMENT AND MODIFICATION OF HURRICANE FLOYD RECOVERY PROGRAMS, AUTHORIZING ESTABLISHMENT OF NEW PROGRAMS, EXPANSION OF EXISTING PROGRAMS, AND MODIFICATION OF EXISTING PROGRAMS TO IMPLEMENT THIS ACT, AUTHORIZING TRANSFER OF FUNDS TO FEDERAL AGENCIES AND LOCAL GOVERNMENTS, AUTHORIZING TIME-LIMITED POSITIONS TO IMPLEMENT THIS ACT, PROVIDING FOR SUBROGATION BY THE STATE OF CERTAIN INSURANCE CLAIMS, AUTHORIZING ADVISORY COUNCILS TO ADVISE STATE AGENCIES ON RECOVERY EFFORTS, PROVIDING FOR TAX EXEMPTION OF BENEFITS, DIRECTING THE MAPPING OF FLOOD PLAINS AND THE IDENTIFICATION OF POTENTIAL LANDSLIDE AREAS AND STREAM BANK EROSION, DIRECTING THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO STUDY THE CAUSES OF FLOODING IN CERTAIN AREAS AND DETERMINE MEASURES TO PREVENT OR MITIGATE FUTURE FLOODING, DIRECTING THE GOVERNOR TO MAINTAIN THE REDEVELOPMENT OFFICE IN WESTERN NORTH CAROLINA, APPROPRIATING FUNDS TO RESTORE AND REPAIR CERTAIN PUBLIC BUILDINGS IN HYDE COUNTY DAMAGED BY HURRICANE ISABEL AND ESTABLISHING REPORTING REQUIREMENTS. Summarized in *Daily Bulletin* 1/31/05, 2/16/05, and 2/21/05. Enacted February 25, 2005. Section 5.7 is effective for taxable years beginning on or after January 1, 2004. The remainder of this act is effective February 25, 2005.