

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2019**

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**HOUSE BILL 1023**  
**Committee Substitute Favorable 10/30/19**  
**Third Edition Engrossed 10/30/19**

Short Title: Storm Recovery Act of 2019.

(Public)

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Sponsors:

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Referred to:

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October 22, 2019

A BILL TO BE ENTITLED  
AN ACT TO PROVIDE DISASTER RELIEF FROM HURRICANE DORIAN AND OTHER  
NAMED STORMS.

The General Assembly of North Carolina enacts:

**PART I. APPROPRIATIONS AND ALLOCATIONS**

**SECTION 1.1.** Hurricane Florence Federal Match. – The State Controller shall transfer the sum of seventy million eight hundred twelve thousand three hundred thirty-six dollars (\$70,812,336) in nonrecurring funds for the 2019-2020 fiscal year from the Savings Reserve to the Hurricane Florence Disaster Recovery Fund created in S.L. 2018-134, and these funds are appropriated within the Fund and shall be used to provide State match for Florence federal disaster assistance programs.

**SECTION 1.2.** Other Disaster Relief Appropriations/Allocations; Nonrecurring Funds. – In addition to any other funds appropriated during the 2019-2020 fiscal year, there is appropriated from the Savings Reserve the sum of two hundred eight million nine hundred fifty-three thousand two hundred fifty-eight dollars (\$208,953,258) in nonrecurring funds for the 2019-2020 fiscal year. These funds shall be allocated as follows:

- (1) \$38,173,258 to the State Emergency Response and Disaster Relief Fund to be used for the following purposes:
  - a. \$11,197,013 to provide State match for federal disaster assistance programs related to Hurricane Matthew.
  - b. \$4,176,245 to provide State match for federal disaster assistance programs related to Hurricane Michael.
  - c. \$17,800,000 to provide State match for federal disaster assistance programs related to Hurricane Dorian as well as similar State assistance programs that may supplement federal assistance or cover housing repairs and rehabilitation for those who may not qualify for federal assistance.
  - d. \$5,000,000 to ensure that sufficient funds are available to provide relief and assistance for Hurricane Dorian, recent storms, and future emergencies, as authorized by G.S. 166A-19.42.
- (2) \$40,000,000 to the North Carolina Office of Recovery and Resiliency in the Department of Public Safety (NCORR) to be used for the following purposes:
  - a. \$20,000,000 to provide flexible local government loans to assist distressed communities impacted by Hurricane Matthew, Hurricane



- 1 Florence, Tropical Storm Michael, or Hurricane Dorian. The Office  
2 shall enter into agreements with local governments to ensure the  
3 proper use of the funds and the return of the funds to the State once the  
4 local governments have received federal reimbursement. Loans may  
5 be used for cash-flow assistance while awaiting federal  
6 reimbursement. NCORR shall operate the program on a revolving loan  
7 fund basis to assist the maximum number of local governments  
8 possible.
- 9 b. \$10,000,000 to provide flexible local government grants to assist  
10 distressed communities impacted by Hurricane Dorian. Grants may be  
11 used for repairs, staff support and technical assistance, cash-flow  
12 assistance, and other related activities.
- 13 c. \$10,000,000 to assist local governments with the development of  
14 resilience implementation frameworks. This may include up to 24  
15 time-limited, full-time equivalent positions to provide technical  
16 assistance to local governments and Regional COGs.
- 17 (3) \$18,950,000 to the Department of Environmental Quality to be used as  
18 follows:
- 19 a. \$50,000 for repair, restoration, and related environmental disaster  
20 recovery activities at the Department's Coastal Reserves.
- 21 b. \$1,300,000 for four time-limited, full-time equivalent positions to  
22 provide coastal resilience planning in 20 counties designated as  
23 coastal-area counties under G.S. 113A-103 to work with local  
24 governments and federal partners on plans and implementation.
- 25 c. \$17,600,000 to match additional federal funds recently made available  
26 for the Clean Water State Revolving Fund and the Drinking Water  
27 State Revolving Fund.
- 28 (4) \$30,000 to the Wildlife Resources Commission for repair, restoration, and  
29 related disaster recovery activities at boating access areas operated by the  
30 Commission.
- 31 (5) \$36,000,000 to the Department of Transportation (DOT) to be used as follows:
- 32 a. \$30,000,000 for current and future activities related to recovery from  
33 Hurricane Dorian such as debris removal and repair of highway  
34 infrastructure damage.
- 35 b. \$2,000,000 for the Living Shoreline projects.
- 36 c. \$2,000,000 to expand the Flood Inundation Mapping Alert Network  
37 for Transportation.
- 38 d. \$2,000,000 for a Flood Risk and Vulnerability Assessment on the  
39 Strategic Highway Corridor System.
- 40 (6) \$42,100,000 to the Division of Emergency Management, Department of  
41 Public Safety to be used as follows:
- 42 a. \$5,000,000 to expand flood mitigation studies.
- 43 b. \$4,800,000 for water level and breach monitoring systems for 1,510  
44 high and intermediate risk dams.
- 45 c. \$32,300,000 to update LiDAR topography data.
- 46 (7) \$5,200,000 to Elizabeth City State University for repairs to academic and  
47 residential buildings impacted by Hurricane Dorian.
- 48 (8) \$1,700,000 to the Department of Public Instruction as a directed grant to Hyde  
49 County for repairs to the Ocracoke School necessitated by Hurricane Dorian.
- 50 (9) \$15,000,000 to the Office of State Budget and Management for The Golden  
51 L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., to provide

1 grants to governmental entities and organizations exempt from federal income  
2 tax under section 501(c)(3) of the Internal Revenue Code. The funds may be  
3 used to repair, replace, construct, or improve infrastructure or equipment  
4 damaged as a result of Hurricane Matthew, Florence, Michael, or Dorian, as  
5 well as to construct or improve infrastructure to support hazard mitigation.  
6 For the purposes of this program, infrastructure includes nonresidential  
7 buildings that serve the public, water, sewer, stormwater, and other publicly  
8 owned assets. Golden L.E.A.F. may also provide grants to 501(c)(3) nonprofit  
9 organizations and established religious organizations to repair or replace  
10 places of worship damaged or destroyed by Hurricane Florence.

11 The funds allocated to Golden L.E.A.F. in this subdivision are not subject  
12 to G.S. 143C-6-23(d).

13 (10) \$1,800,000 to the Office of State Budget and Management to provide a  
14 directed grant to Hyde County for construction of a pump station and related  
15 watershed restoration infrastructure for the Lake Mattamuskeet watershed.

16 (11) \$5,000,000 to the Department of Agriculture and Consumer Services for the  
17 Division of Soil and Water Conservation's Swine Buyout program.

18 (12) \$5,000,000 to the Department of Agriculture and Consumer Services,  
19 Division of Soil and Water Conservation for stream debris removal.

20 **SECTION 1.3.(a)** Other Disaster Relief Appropriations/Allocations; Recurring  
21 Funds. – In addition to any other funds appropriated during the 2019-2021 fiscal biennium, the  
22 sum of three hundred fifty-seven thousand eight hundred thirteen dollars (\$357,813) in recurring  
23 funds is appropriated from the General Fund to the Department of Public Safety for the  
24 2019-2020 fiscal year and the sum of seven hundred fifty-three thousand one hundred twenty-five  
25 dollars (\$753,125) in recurring funds is appropriated for the 2020-2021 fiscal year to be allocated  
26 as follows:

27 (1) \$250,000 in recurring funds in each year of the 2019-2021 fiscal biennium for  
28 a grant to the United Way of North Carolina, a nonprofit organization, to  
29 support operations of the NC 2-1-1 program.

30 (2) \$107,813 in recurring funds in the 2019-2020 fiscal year to the Department of  
31 Public Safety, Division of Emergency Management for three additional  
32 full-time equivalent positions and five hundred three thousand one hundred  
33 twenty-five dollars (\$503,125) in recurring funds and seven full-time  
34 equivalent positions in the 2020-2021 fiscal year. The positions shall be used  
35 to support the management of federal grants and other Division operations.  
36 The positions funded during the 2019-2020 fiscal year are effective January  
37 1, 2020.

38 **SECTION 1.3.(b)** If House Bill 966, 2019 Regular Session, becomes law, this  
39 section is repealed.

## 40 **PART II. COUNTIES COVERED BY ACT**

41 **SECTION 2.1.** Applicability. – Except as otherwise provided, Sections 1.1 and 1.2  
42 of this act apply to the following North Carolina counties:

43 (1) For disaster relief and recovery related to Hurricane Matthew, those counties  
44 identified in Part III of S.L. 2016-124.

45 (2) For disaster relief and recovery related to Hurricane Florence or Michael,  
46 those counties identified in S.L. 2018-136 or S.L. 2019-3.

47 (3) Declared a major disaster by the President of the United States under the  
48 Stafford Act (P.L. 93-288) as a result of Hurricane Dorian.  
49  
50

1 **PART III. IMPLEMENTATION OF ACT/OTHER DISASTER RECOVERY-RELATED**  
2 **CORRECTIONS AND MODIFICATIONS**

3  
4 **FLEXIBILITY FOR USE OF CERTAIN FUNDS/REPORTING**

5 **SECTION 3.1.(a)** Notwithstanding any other provision of law, any State agency that  
6 received funds pursuant to this act or any of the following enactments may reallocate unexpended  
7 and unobligated program funds to the same programs or purposes for damage caused by  
8 Hurricane Matthew, Florence, Michael, Dorian, or future storms:

- 9 (1) S.L. 2016-124.  
10 (2) S.L. 2017-119.  
11 (3) Section 5.6 of S.L. 2018-5.  
12 (4) S.L. 2018-134.  
13 (5) S.L. 2018-136.  
14 (6) S.L. 2018-138.  
15 (7) S.L. 2019-3.  
16 (8) S.L. 2019-224.

17 **SECTION 3.1.(b)** Any State agency that reallocates funds pursuant to subsection (a)  
18 of this section shall report, at least 30 days prior to the reallocation, to the chairs of the Senate  
19 Appropriations/Base Budget Committee, the chairs of the House of Representatives  
20 Appropriations Committee, and the Fiscal Research Division. The report shall identify all of the  
21 following:

- 22 (1) The original funding authorization.  
23 (2) The original program or purpose for the use of the funds.  
24 (3) The amount of funds expended or obligated for the original program or  
25 purpose.  
26 (4) The amount of funds that remain unexpended or unencumbered.  
27 (5) The amount of funds to be reallocated.  
28 (6) The hurricane or other authorized event to which the funds are being  
29 reallocated.

30 **SECTION 3.1.(c)** For purposes of subsection (a) of this section, "State agency"  
31 includes The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc.

32 **SECTION 3.1.(d)** This section expires when all funds appropriated under this act or  
33 any act listed in subsection (b) of this section have been expended or obligated.  
34

35 **USE OF PREQUALIFIED CONSTRUCTION CONTRACTORS BY LOCAL**  
36 **GOVERNMENTS**

37 **SECTION 3.2.** G.S. 166A-19.15(f) reads as rewritten:

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

- 40 (1) To appropriate and expend funds, make contracts, obtain and distribute  
41 equipment, materials, and supplies for emergency management purposes and  
42 to provide for the health and safety of persons and property, including  
43 emergency assistance, consistent with this Article.  
44 (1a) To award contracts for the repair, rehabilitation, or construction of private  
45 residential structures funded by State or federal funds provided to the political  
46 subdivision as a result of a disaster declared by the Governor under  
47 G.S. 166A-19.21 covering the political subdivision. For purposes of contracts  
48 awarded under this subdivision for a particular disaster, a political subdivision  
49 is authorized to contract with contractors prequalified by the Division in  
50 accordance with G.S. 143-135.8 for that disaster. In so contracting, the  
51 political subdivision is not required to follow the procedures for prequalifying

1 contractors set forth in G.S. 143-135.8. Nothing in this subdivision is intended  
2 to exempt a political subdivision from other requirements of Article 8 of  
3 Chapter 143 of the General Statutes.

4 ...."

## 6 **COMMUNITY DEVELOPMENT BLOCK GRANT FOR DISASTER RECOVERY** 7 **MODIFICATION**

8 **SECTION 3.3.** Section 5.11(a) of S.L. 2016-124 reads as rewritten:

9 "SECTION 5.11.(a) Notwithstanding any other provision of law, all Community  
10 Development Block Grant Disaster Recovery ~~Program funds awards~~ received by the ~~Department~~  
11 ~~of Commerce~~ State in response to the declarations and executive orders described in Section 3.1  
12 of this ~~act~~ act, or in any subsequent federally declared disasters, shall be ~~transferred to the~~  
13 ~~Emergency Management Division of the Department of Public Safety~~ administered by the North  
14 Carolina Office of Recovery and Resiliency of the Department of Public Safety, including  
15 circumstances where the designated grantee is an agency other than the North Carolina Office of  
16 Recovery and Resiliency."

## 18 **COMMUNITY COLLEGE OFFSET**

19 **SECTION 3.4.** Notwithstanding any provision of S.L. 2018-136 or the Committee  
20 Report described in Section 6.1 of that act to the contrary, funds allocated to the Community  
21 Colleges System Office in Section 4.1 of S.L. 2018-136 may be used to offset a receipt shortfall  
22 due to enrollment declines caused by Hurricane Florence.

## 24 **MODIFICATIONS TO DISASTER RECOVERY RECOMMENDED BY THE JOINT** 25 **LEGISLATIVE COMMITTEE ON PROGRAM EVALUATION**

26 **SECTION 3.5.(a)** G.S. 166A-19.11 reads as rewritten:

### 27 **"§ 166A-19.11. Powers of the Secretary of Public Safety.**

28 The Secretary shall be responsible to the Governor for State emergency management  
29 activities. The Secretary shall have the following powers and duties as delegated by the  
30 Governor:

31 ...

32 (3a) To notify the Director of the Budget, the Office of the Governor, the chairs of  
33 the House of Representatives and Senate Appropriations Committees, the  
34 chairs of the House of Representatives and Senate Appropriations Committees  
35 on Justice and Public Safety, the Fiscal Research Division, and any other State  
36 entities deemed necessary of the potential for using Community Development  
37 Block Grant-Disaster Recovery (CDBG-DR) funds to cover the nonfederal  
38 share of matching requirements for eligible programs at the following times:

39 a. June 1 of each year.

40 b. Within five days of a presidential disaster declaration for the State of  
41 North Carolina.

42 (3b) To report annually by December 1 to the chairs of the House of  
43 Representatives and Senate Appropriations Committees on Justice and Public  
44 Safety on the amount of State funds used to pay contractors for performing  
45 CDBG-DR activities that could have been paid for using federal CDBG-DR  
46 funds during the calendar year.

47 ...."

48 **SECTION 3.5.(b)** Article 1A of Chapter 166A of the General Statutes is amended  
49 by adding a new section to read:

50 **"§ 166A-19.13. Data collection, reporting, use of State and federal funds.**

1       (a)    The Department of Public Safety shall establish mechanisms to regularly solicit input  
2 from entities receiving federal or State disaster recovery funds regarding ways to improve the  
3 administration of the funds and associated programs. The mechanisms may include surveys and  
4 focus groups.

5       (b)    By December 1, 2020, the Department of Public Safety shall modify its policies and  
6 procedures for disaster recovery to do the following:

7           (1)    Where permitted by State law and administrative rule, require the Office of  
8 Recovery and Resiliency (Office) to use cost as a factor when awarding  
9 contracts for professional services that may be eligible for reimbursement  
10 from federal funds. Contracts subject to Article 3D of Chapter 143 of the  
11 General Statutes are exempt from this subsection.

12          (2)    Establish minimum competencies for staff who administer the Community  
13 Development Block Grant-Disaster Recovery (CDBG-DR) program,  
14 including experience with either traditional CDBG programs or CDBG-DR  
15 programs.

16          (3)    Describe how the input obtained from the mechanisms established in  
17 subsection (a) of this section will be incorporated into revisions of its policies  
18 and procedures.

19       (c)    By January 1, 2020, the Office of Recovery and Resiliency (Office) shall develop  
20 performance metrics for all entities receiving federal or State disaster recovery funds, including  
21 the following:

22           (1)    Average time-cycle by process step, including from application to fund  
23 distribution.

24           (2)    Total number of projects by process step and managed overall.

25           (3)    Outreach and intake metrics.

26           (4)    Amount of disaster recovery funds spent on administrative activities.

27           (5)    Amount of disaster recovery funds disbursed on behalf of recipients.

28       (d)    The performance metrics required under subsection (c) of this section shall be  
29 standardized across funding streams to allow for comparisons and identification of areas needing  
30 improvement."

31       **SECTION 3.5.(c)** Section 5.8 of S.L. 2018-136, as amended by Section 2.14(a) of  
32 S.L. 2018-138, reads as rewritten:

33       **"SECTION 5.8.(a)** Beginning January 1, 2019, the Office of Recovery and Resiliency  
34 (Office) shall provide separate quarterly reports to the Director of the Budget, the standing  
35 Appropriations Committees of the Senate and the House of Representatives, and the Fiscal  
36 Research Division on the use of disaster recovery and assistance funds expended from the  
37 Hurricane Florence Recovery ~~Fund and from Fund~~, the State Emergency Response and Disaster  
38 Relief Fund for Hurricane ~~Matthew~~, ~~Matthew~~, and funds appropriated for disaster relief for  
39 Hurricane Dorian. The separate reports shall summarize oversight activities and the results  
40 achieved as well as all of the following:

41           (1)    Expenditures by program and by source of funds.

42           (2)    Expenditures required to receive federal grants.

43           (3)    Federal funding provided to the State to refund certain federally related  
44 spending.

45           (4)    Actual and projected State spending data including time lines and milestones.

46           (5)    Total State spending data by agency and by program.

47           (6)    Total State spending by program and county, where practicable.

48           (7)    Location and job responsibilities of all time-limited State positions created  
49 under this act or paid for with federal funds received as a result of Hurricane  
50 Florence.

1 "SECTION 5.8.(a1) Beginning January 1, 2020, the Office shall provide quarterly reports  
2 to the Director of the Budget, the standing Appropriations Committees of the Senate and the  
3 House of Representatives, and the Fiscal Research Division on the use of Community  
4 Development Block Grant-Disaster Recovery funds expended starting December 1, 2019, and  
5 thereafter. The reports shall include the following performance metrics:

- 6 (1) Average time-cycle by process step, including from application to fund  
7 distribution, by county where practicable.
- 8 (2) Number of projects by process step and managed overall, by county where  
9 practicable.
- 10 (3) Average cost per project, excluding the infrastructure program, by county  
11 where practicable.
- 12 (4) Outreach and intake metrics by county where practicable.
- 13 (5) Amount and percentage of disaster recovery funds spent on administrative  
14 activities.
- 15 (6) Amount and percentage of disaster recovery funds disbursed on behalf of  
16 recipients.
- 17 (7) Number and description of contracts issued.
- 18 (8) Status of all activities in progress to meet each of the funding streams'  
19 operational objectives.
- 20 (9) Additional performance metrics developed by the Office.

21 "SECTION 5.8.(a2) Beginning January 1, 2020, the Office shall provide separate quarterly  
22 reports to the Director of the Budget, the standing Appropriations Committees of the Senate and  
23 the House of Representatives, and the Fiscal Research Division on the use of disaster recovery  
24 and assistance funds, other than Community Development Block Grant-Disaster Recovery funds,  
25 expended starting December 1, 2019, and thereafter from the Hurricane Florence Recovery Fund  
26 and from the State Emergency Response and Disaster Relief Fund for Hurricane Matthew. The  
27 separate reports shall include the following performance metrics:

- 28 (1) Average time-cycle to distribution or another appropriate measure of time, by  
29 county where practicable.
- 30 (2) Number of projects, by county where practicable.
- 31 (3) Average cost per project, by county where practicable.
- 32 (4) Amount and percentage of disaster recovery funds spent on administrative  
33 activities.
- 34 (5) Amount and percentage of disaster recovery funds encumbered for  
35 administrative activities.
- 36 (6) Amount and percentage of disaster recovery funds disbursed on behalf of  
37 recipients.
- 38 (7) Amount and percentage of disaster recovery funds encumbered on behalf of  
39 recipients.
- 40 (8) Number of individuals, households, entities, or other unit served, by county  
41 where practicable.

42 The separate reports shall provide the performance metrics for each funding stream, where  
43 practicable.

44 "SECTION 5.8.(b) In addition to the quarterly reports required under subsection (a)  
45 subsections (a), (a1), and (a2) of this section and beginning January 1, 2020, the Office shall  
46 provide annual reports that compile the information contained in the quarterly reports. The annual  
47 reports shall be submitted to the entities required under subsection (a) of this section.

48 "SECTION 5.8.(c) Each report required by this section shall include information about all  
49 funds expended or encumbered pursuant to this act or any other act providing funds to address  
50 the impacts of Hurricanes ~~Matthew and Florence, Matthew, Florence, Michael, and Dorian,~~  
51 regardless of which State agency or non-State entity administers the funds. State agencies and

1 non-State entities that administer or receive any funds appropriated in this act shall assist and  
2 fully cooperate with the Office of Recovery and Resiliency in meeting the Office's obligations  
3 under this section."

4 **SECTION 3.5.(d)** The Office of Recovery and Resiliency (Office) shall make  
5 recommendations regarding the staffing levels that are necessary to do the following:

- 6 (1) Administer the Community Development Block Grant-Disaster Recovery  
7 (CDBG-DR) program during times when the Office is administering  
8 CDBG-DR funds.
- 9 (2) Administer the CDBG-DR program during times when the Office is not  
10 administering CDBG-DR funds.
- 11 (3) Maintain a base-level of staff to provide resiliency planning and coordination,  
12 provide continuous required disaster recovery functions, and ensure the State  
13 is adequately prepared to expand its disaster recovery efforts in the event of  
14 future natural disasters.
- 15 (4) Expand from a base-level of staff to provide necessary functions immediately  
16 following a natural disaster.

17 **SECTION 3.5.(e)** For each recommendation required under subsection (d) of this  
18 section, the Office shall include the class and number of temporary or permanent full-time  
19 equivalent positions. For each position, the Office shall include an explanation of the necessity  
20 for the position to be permanent if applicable, the funding source of the position, and a job  
21 description of the position with corresponding salary requirements. The Office shall report the  
22 recommendations to the chairs of the House of Representatives and Senate Appropriations  
23 Committees, the chairs of the House of Representatives and Senate Appropriations Committees  
24 on Justice and Public Safety, the Joint Legislative Commission on Governmental Operations, and  
25 the Fiscal Research Division by March 1, 2020.

26 **SECTION 3.5.(f)** The Joint Legislative Program Evaluation Oversight Committee  
27 shall include in the biennial work plan of the Program Evaluation Division an evaluation of the  
28 Department of Public Safety's coordination with nonprofit organizations for disaster recovery  
29 planning. The Program Evaluation Division shall submit its evaluation to the Joint Legislative  
30 Program Evaluation Oversight Committee and to the chairs of the House of Representatives and  
31 Senate Appropriations Committees on Justice and Public Safety.

### 32 **CORRECTION TO 2019 DISASTER RECOVERY ACT**

33 **SECTION 3.6.(a)** Section 1.1 of S.L. 2019-224 reads as rewritten:

34 **"SECTION 1.1.** Transfer from Hurricane Florence Disaster Recovery Reserve. – The State  
35 Controller shall transfer the sum of ~~ninety-four million one hundred three thousand dollars~~  
36 ~~(\$94,103,000)~~ eighty-nine million one hundred three thousand dollars (\$89,103,000) in  
37 nonrecurring funds for the 2019-2020 fiscal year from the Hurricane Florence Disaster Recovery  
38 Reserve in the General Fund to the Hurricane Florence Disaster Recovery Fund created in S.L.  
39 2018-134, and these funds are appropriated within the Fund and shall be allocated as provided in  
40 Part II of this act."

41 **SECTION 3.6.(b)** This section becomes effective July 1, 2019.

### 42 **MODIFICATIONS TO FLOOD INSURANCE PILOT**

43 **SECTION 3.7.(a)** Section 2.1 of S.L. 2019-224 reads as rewritten:

44 **"SECTION 2.1.** Allocations. – The funds appropriated and reallocated in Part I of this act  
45 in the Hurricane Florence Disaster Recovery Fund shall be allocated as follows:

- 46 ...
- 47 (7) \$6,000,000 to the Department of Public Safety, Division of Emergency  
48 Management to be used as follows:

49 ...  
50 ...  
51 ...



d. \$2,000,000 to develop a pilot program to help pay for the cost of up to two years' flood insurance for eligible applicants and eligible properties. Subject to the eligibility requirements contained in this sub-subdivision, when awarding funds, the Division shall give priority to applicants and subject properties in the most impacted and distressed counties as determined by the United States Department of Housing and Urban Development for Hurricane Matthew, Hurricane Florence, or both. In order to be eligible for funds under the pilot program, all of the following shall apply:

1. The applicant earned no more than eighty percent (80%) of the subject area median income during the preceding calendar year ~~and has not received flood insurance for the subject property from any federal program, including by the Community Development Block Grant Disaster Recovery or the Federal Emergency Management Agency (FEMA) Housing Assistance Program year.~~
2. The subject property is the applicant's primary ~~residence, is insurable, and has experienced a repetitive loss as that term is defined by FEMA.~~ residence and is insurable.

...."

**SECTION 3.7.(b)** This section becomes effective July 1, 2019.

## **ABANDONED AND DERELICT VESSELS**

**SECTION 3.8.** Subdivision 2.1(10) of S.L. 2019-224 reads as rewritten:

"(10) \$1,000,000 to the Wildlife Resource Commission (WRC) to inspect, investigate, ~~and remove remove, and dispose of abandoned and derelict and abandoned water vessels. vessels.~~ Notwithstanding any provision of law in Chapter 75A of the General Statutes, the WRC is authorized to use these funds to inspect, investigate, and remove remove, and dispose of abandoned and derelict vessels. vessels and may coordinate with the Department of Environmental Quality, units of local government, nongovernmental organizations, and private entities to perform this work. As used in this subdivision, the phrase "abandoned and derelict vessel" means a water going craft located in a canal or the Intraeastal Waterway vessel as defined in G.S. 75A-2(5) located in coastal public trust waters that has been damaged or destroyed by weather-related events and that is impeding water traffic. The phrase does not apply to a vessel that is moored to a dock or otherwise not located in an area of normal water traffic. WRC may also remove and dispose of vessels identified by the Marine Patrol of the Division of Marine Fisheries. events and that the WRC determines has been relinquished, left, or given up by the lawful owner without the intention to later resume any right or interest in the vessel. Prior to this determination, the WRC shall send written notice and make additional reasonable efforts to notify the last known owner of the status of the vessel and post a notice on the vessel advising that the vessel is abandoned. If no response to the written notice to owner or the notice posted on the vessel is received within 30 days, then the WRC may proceed with removal and disposal of the vessel. WRC may also remove an abandoned and derelict vessel located on private property upon the written request of the property owner and by following the other procedures set forth in this section. However, WRC shall prioritize the removal of abandoned and derelict

1                    vehicles that are blocking or otherwise impeding vessel traffic in navigable  
2                    waters."

#### 3 4 **PART IV. MISCELLANEOUS**

##### 5 6 **REIMBURSEMENT FOR FUNDS PROVIDED UNDER THIS ACT**

7                    **SECTION 4.1.** A recipient of State funds under this act shall use best efforts and  
8 take all reasonable steps to obtain alternative funds that cover the losses or needs for which the  
9 State funds are provided, including funds from insurance policies in effect and available federal  
10 aid. State funds paid under this act are declared to be excess over funds received by a recipient  
11 from the settlement of a claim for loss or damage covered under the recipient's applicable  
12 insurance policy in effect. Further, each institution of higher education and non-State entity that  
13 receives State funds under this act shall also seek private donations to help cover the losses or  
14 needs for which these State funds are provided.

##### 15 16 **ADDITIONAL LIMITATIONS ON USE OF FUNDS**

17                    **SECTION 4.2.(a)** The Governor shall ensure that funds appropriated in this act are  
18 expended in a manner that does not adversely affect any person's or entity's eligibility for federal  
19 funds that are made available, or that are anticipated to be made available, as a result of Hurricane  
20 Florence. The Governor shall also, to the extent practicable, avoid using State funds to cover  
21 costs that will be, or likely will be, covered by federal funds.

22                    **SECTION 4.2.(b)** The Governor may not use the funds described in this act to make  
23 reallocations under G.S. 166A-19.40(c). Nothing in this act shall be construed to prohibit the  
24 Governor from exercising the Governor's authority under this statute with respect to funds other  
25 than those described in this act.

##### 26 27 **INVOLVEMENT OF HISTORICALLY UNDERUTILIZED BUSINESSES**

28                    **SECTION 4.3.** It is the intent of the General Assembly that, during this time of  
29 rebuilding and relief efforts, each State agency should strive to acquire goods and services from  
30 historically underutilized business vendors, whether directly as principal contractors or indirectly  
31 as subcontractors or otherwise.

##### 32 33 **LEGISLATIVE REVIEW OF FEDERAL FUNDING AND REMAINING UNMET** 34 **NEEDS**

35                    **SECTION 4.4.** It is the intent of the General Assembly to review the funds  
36 appropriated by Congress for disaster relief and to consider actions needed to address any  
37 remaining unmet needs. It is also the intent of the General Assembly to review the adequacy of  
38 the measures funded by this act at that time.

##### 39 40 **PROHIBITION ON USE OF STATE FUNDS TO CONSTRUCT CERTAIN** 41 **RESIDENCES**

42                    **SECTION 4.5.(a)** No State funds appropriated in this act may be expended for the  
43 construction of any new residence within the 100-year floodplain unless the construction is in an  
44 area regulated by a unit of local government pursuant to a floodplain management ordinance and  
45 the construction complies with the ordinance. For purposes of this act, the term "100-year  
46 floodplain" means any area subject to inundation by the one percent (1%) annual chance flood  
47 event, as indicated on the most recent Flood Insurance Rate Map prepared by the Federal  
48 Emergency Management Agency under the National Flood Insurance Program.

49                    **SECTION 4.5.(b)** Homeowners in the 100-year floodplain who receive  
50 homeowner's housing assistance pursuant to this act shall have in effect federal flood insurance,

1 if available, as a precondition to receipt of State homeowner's housing assistance for losses  
2 resulting from future flooding.

3 **SECTION 4.5.(c)** Funds loaned to small and mid-sized businesses shall be used only  
4 for eligible purposes under the Small Business Administration (SBA) disaster loan assistance  
5 program, as described in the federal disaster declarations designated by the SBA as NC-00111.  
6 Payments for economic losses shall be limited to documented business expenses necessary for  
7 the continued operation of the business.

8  
9 **EACH APPROPRIATION AND ALLOCATION IS MAXIMUM AND CONDITIONAL**

10 **SECTION 4.6.** The appropriations and allocations made in this act are for maximum  
11 amounts necessary to implement this act. Savings shall be effected where the total amounts  
12 appropriated or allocated are not required to implement this act.

13  
14 **APPROPRIATION OF FEDERAL FUNDS**

15 **SECTION 4.7.** Appropriation/Federal Funds. – Funds received on or after  
16 September 1, 2019, for federal disaster assistance programs for State disasters as a result of  
17 Hurricane Dorian are appropriated in the amounts provided in the notifications of award from  
18 the federal government or any entity acting on behalf of the federal government to administer  
19 federal disaster recovery funds. The Office of State Budget and Management and affected State  
20 agencies shall report all notifications of award to the Joint Legislative Commission on  
21 Governmental Operations and the Fiscal Research Division of the General Assembly.

22  
23 **DIRECTED GRANTS**

24 **SECTION 4.8.(a)** Directed Grants; Definitions. – For purposes of this act, the  
25 following definitions apply:

- 26 (1) Directed grant. – Nonrecurring funds allocated by a State agency to a  
27 non-State entity as directed by an act of the General Assembly.  
28 (2) Non-State entity. – As defined in G.S. 143C-1-1.

29 **SECTION 4.8.(b)** Directed Grants; Requirements. – Nonrecurring funds  
30 appropriated in this act as directed grants are subject to all of the following requirements:

- 31 (1) Directed grants are subject to the provisions of subsections (b) through (k) of  
32 G.S. 143C-6-23.  
33 (2) Directed grants of one hundred thousand dollars (\$100,000) or less may be  
34 made in a single annual payment in the discretion of the Director of the  
35 Budget. Directed grants of more than one hundred thousand dollars  
36 (\$100,000) shall be made in quarterly or monthly payments in the discretion  
37 of the Director of the Budget. A State agency administering a directed grant  
38 shall begin disbursement of funds to a non-State entity that meets all  
39 applicable requirements as soon as practicable, but no later than 100 days after  
40 the date this act becomes law.  
41 (3) Beginning on the first day of a quarter following the deadline provided in  
42 subdivision (2) of this subsection and quarterly thereafter, State agencies  
43 administering directed grants shall report to the Fiscal Research Division on  
44 the status of funds disbursed for each directed grant until all funds are fully  
45 disbursed. At a minimum, the report required under this subdivision shall  
46 include updates on (i) the date of the initial contact, (ii) the date the contract  
47 was sent to the entity receiving the funds, (iii) the date the disbursing agency  
48 received the fully executed contract back from the entity, (iv) the contract  
49 execution date, and (v) the payment date.

- 1           (4)   Notwithstanding any provision of G.S. 143C-1-2(b) to the contrary,  
2           nonrecurring funds appropriated in this act as directed grants shall not revert  
3           until June 30, 2021.  
4           (5)   Directed grants to nonprofit organizations are for nonsectarian, nonreligious  
5           purposes only.

6           **SECTION 4.8.(c)** Directed Grants; Sunset. – This section expires on June 30, 2021.  
7

8   **PART V. EFFECTIVE DATE**

9           **SECTION 5.1.** Except as otherwise provided, this act is effective when it becomes  
10 law.