



# HOUSE BILL 1023: Storm Recovery Act of 2019.

2019-2020 General Assembly

<b>Committee:</b>	House Appropriations	<b>Date:</b>	October 29, 2019
<b>Introduced by:</b>	Rep. Rules, Calendar, and Operations of the House	<b>Prepared by:</b>	Kory Goldsmith Staff Attorney
<b>Analysis of:</b>	PCS to First Edition H1023-CSMM-9		

**OVERVIEW:** *The PCS for H1023 appropriates funds for disaster recovery and resiliency related to Hurricane Dorian as well as Hurricanes Matthew, Florence, and Michael. The PCS also contains technical and substantive modifications to existing law.*

## BILL ANALYSIS:

**Section 1.1** appropriates \$70,812,336 from the Savings Reserve to the Hurricane Florence Disaster Recovery Fund to be used for additional State match for Florence disaster assistance programs.

**Section 1.2** appropriates \$186,353,258 for additional disaster relief which is allocated as follows:

- **State Emergency Response and Disaster Relief Fund** – \$38,173,258 to provide State matches for Hurricanes Matthew, Michael, and Dorian as well as other storms and future emergencies.
- **NC Office of Recovery and Resiliency** – \$40,000,000 for flexible loans (\$20 million) and grants (\$10 million) to local governments and to assist with resiliency planning (\$10 million).
- **Department of Environmental Quality** – \$1,350,000 for repair and restoration at Coastal Reserves (\$50,000) and to fund four time-limited positions to assist local governments in coastal counties with coastal resilience planning (\$1.3 million).
- **Wildlife Resources Commission** – \$30,000 for repair and restoration of boating access areas.
- **Department of Transportation** – \$36,000,000 to assist with cash-flow to provide debris removal and highway infrastructure damage caused by Hurricane Dorian (\$30 million), and \$2 million each for living shoreline projects to increase transportation infrastructure resiliency, expansion of the Flood Inundation Mapping Alert Network for Transportation, and a flood risk and vulnerability assessment for the Strategic Highway Corridor System.
- **Division of Emergency Management, Department of Public Safety** – \$42.1 million for various resiliency activities.
- **Elizabeth City State University** – \$5.2 million for repairs to academic and residential buildings.

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- **Hyde County** – \$3.5 million for repairs to Ocracoke School (\$1.7 million) and a pump station and related watershed restoration infrastructure for the Lake Mattamuskeet watershed (\$1.8 million).
- **Golden Leaf Foundation** – \$20 million for the Foundation to provide grants to local governments and nonprofit entities for repair, replacement, or construction of infrastructure or equipment damaged by recent named storms and for construction of new hazard mitigation infrastructure.
- **Department of Environmental Quality** – \$1.35 million for repair and restoration at Coastal Reserves (\$50,000) and to fund four time-limited positions and to provide grants to assist local governments in coastal counties with coastal resilience planning (\$1.3 million).

**Section 1.3** appropriates recurring funds for (1) additional positions at the Division of Emergency Management to assist with the management of federal grants, and (2) the NC 2-1-1 program.

**Section 2.1** provides that counties designated under a federal disaster declaration for Hurricanes Matthew, Florence, Michael, and Dorian are eligible to receive funds under the act.

**Section 3.1** creates flexibility for agencies that received funds appropriated for a program or purpose for one named storm to reallocate unexpended or unobligated funds to the same program or purpose for another named storm. Also includes reporting requirements for any reallocated funds.

**Section 3.2** allows local governments to use the State's list of pre-qualified contractors for bidding on disaster recovery contracts in order to expedite recovery projects.

**Sections 3.3** establishes the North Carolina Office of Recovery and Resiliency as the designated agency to administer awards under the CBDG-DR program.

**Section 3.4** allows funds allocated to the Community Colleges System Office for the 2018-2019 fiscal year for receipt shortfalls due to Florence-related enrollment declines to continue to be used for the current fiscal year.

**Section 3.5** incorporates recommendations made by the Program Evaluation Division related to drawing down federal funds for the CBDG-DR program. It requires the Department of Public Safety to establish mechanisms for soliciting input to improve the administration of programs and develop metrics for monitoring the same. It also creates additional reporting requirements related to use of funds from Hurricanes Florence, Matthew, and Dorian.

**Section 3.6** makes a technical correction to certain Florence-related transfers enacted this year.

**Section 3.7** modifies the eligibility requirements the Flood Insurance pilot program enacted this year.

**Section 3.8** modifies the abandoned and derelict vessels removal program funded in S.L. 2019-224 by providing the Wildlife Resources Commission authority to (i) dispose of removed vessels, and (ii) coordinate with other State agencies, non-profit organizations, and private entities on the program, by imposing certain requirements on the Commission related to finding a vessel's owner prior to removing and disposing of it, and by providing the Commission with authority to remove abandoned and derelict vessels from private property upon the request and permission of the property owner.

**Section 4.1** requires certain recipients of State funds under this act to seek insurance, federal aid, and private donations to reimburse the State for funds provided to the recipient under this Act.

**Section 4.2** directs the Governor to (i) ensure the funds are expended in a manner that does not adversely affect any person's eligibility for federal funds that are made available and (ii) avoid expending State funds

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when federal funds are available. Subsection (b) prohibits the Governor from reallocating funds allocated or reallocated by this act pursuant to the authority set forth in G.S. 166A-19.40(c).

**Section 4.3** expresses the intent of the General Assembly that the State should strive to acquire goods and services from historically underutilized business vendors.

**Section 4.4** expresses the intent of the General Assembly to review federal funding provided to the State for disaster relief and the adequacy of funds provided in this act and consider actions needed to address remaining unmet needs.

**Section 4.5** provides that no State funds appropriated in this act may be used for new residential construction in the 100-year floodplain, requires that homeowners receiving housing assistance in a 100-year flood plain must be covered by the federal flood insurance program, and provides a definition of "100-year floodplain". Subsection (c) places various requirements on funds loaned to small and mid-sized businesses.

**Section 4.6** provides that appropriations and allocations are for maximum amounts, and savings should be realized where total amounts appropriated or allocated are not needed.

**Section 4.7** appropriates any federal funds received after September 1, 2019 for disaster assistance related to Hurricane Dorian.

**Section 4.8** provides a definition for "directed grant" for purposes of certain allocations in this Act.

**Section 5.1** provides that unless otherwise provided, the act is effective when it becomes law.

*Jeff Cherry, staff attorney, substantially contributed to this summary.*