

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 1023
PROPOSED COMMITTEE SUBSTITUTE H1023-PCS10719-MMa-10

Short Title: Storm Recovery Act of 2019.

(Public)

Sponsors:

Referred to:

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 one hundred eighty-six million three hundred fifty-three thousand two hundred fifty-eight dollars (\$186,353,258) 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. Loans may be used for repairs, staff support and technical assistance, cash-flow



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- 1 assistance, and other related activities while awaiting federal
2 reimbursement.
- 3 b. \$10,000,000 to provide flexible local government grants to assist
4 distressed communities impacted by Hurricane Dorian. Grants may be
5 used for repairs, staff support and technical assistance, cash-flow
6 assistance, and other related activities.
- 7 c. \$10,000,000 to assist local governments with the development of
8 resilience implementation frameworks. This may include up to 24
9 time-limited, full-time equivalent positions to provide technical
10 assistance to local governments and Regional COGs.
- 11 (3) \$1,350,000 to the Department of Environmental Quality to be used as follows:
12 a. \$50,000 for repair, restoration, and related environmental disaster
13 recovery activities at the Department's Coastal Reserves.
- 14 b. \$1,300,000 for four time-limited, full-time equivalent positions to
15 provide coastal resilience planning in 20 counties designated as
16 coastal-area counties under G.S. 113A-103 to work with local
17 governments and federal partners on plans and implementation.
- 18 (4) \$30,000 to the Wildlife Resources Commission for repair, restoration, and
19 related disaster recovery activities at boating access areas operated by the
20 Commission.
- 21 (5) \$36,000,000 to the Department of Transportation (DOT) to be used as follows:
22 a. \$30,000,000 for cash-flow assistance for federal disaster recovery
23 activities such as debris removal, repair of highway infrastructure
24 damage, and other recovery activities related to Hurricane Dorian.
- 25 b. \$2,000,000 for the Living Shoreline projects.
- 26 c. \$2,000,000 to expand the Flood Inundation Mapping Alert Network
27 for Transportation.
- 28 d. \$2,000,000 for a Flood Risk and Vulnerability Assessment on the
29 Strategic Highway Corridor System.
- 30 (6) \$42,100,000 to the Division of Emergency Management, Department of
31 Public Safety to be used as follows:
32 a. \$5,000,000 to expand flood mitigation studies.
- 33 b. \$4,800,000 for water level and breach monitoring systems for 1,510
34 high and intermediate risk dams.
- 35 c. \$32,300,000 to update LiDAR topography data.
- 36 (7) \$5,200,000 to Elizabeth City State University for repairs to academic and
37 residential buildings impacted by Hurricane Dorian.
- 38 (8) \$1,700,000 to the Department of Public Instruction as a directed grant to Hyde
39 County for repairs to the Ocracoke School necessitated by Hurricane Dorian.
- 40 (9) \$20,000,000 to the Office of State Budget and Management for The Golden
41 L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., to provide
42 grants to governmental entities and organizations exempt from federal income
43 tax under section 501(c)(3) of the Internal Revenue Code. The funds may be
44 used to repair, replace, construct, or improve infrastructure or equipment
45 damaged as a result of Hurricane Matthew, Florence, Michael, or Dorian, as
46 well as to construct or improve infrastructure to support hazard mitigation.
47 For the purposes of this program, infrastructure includes nonresidential
48 buildings that serve the public, water, sewer, stormwater, and other publicly
49 owned assets. Golden L.E.A.F. may also provide grants to 501(c)(3) nonprofit
50 organizations and established religious organizations to repair or replace
51 places of worship damaged or destroyed by Hurricane Florence.

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

- 3 (10) \$1,800,000 to the Office of State Budget and Management to provide a
4 directed grant to Hyde County for construction of a pump station and related
5 watershed restoration infrastructure for the Lake Mattamuskeet watershed.

6 **SECTION 1.3.(a)** Other Disaster Relief Appropriations/Allocations; Recurring
7 Funds. – In addition to any other funds appropriated during the 2019-2021 fiscal biennium, the
8 sum of three hundred fifty-seven thousand eight hundred thirteen dollars (\$357,813) in recurring
9 funds is appropriated from the General Fund to the Department of Public Safety for the
10 2019-2020 fiscal year and the sum of seven hundred fifty-three thousand one hundred twenty-five
11 dollars (\$753,125) in recurring funds is appropriated for the 2020-2021 fiscal year to be allocated
12 as follows:

- 13 (1) \$250,000 in recurring funds in each year of the 2019-2021 fiscal biennium for
14 a grant to the United Way of North Carolina, a nonprofit organization, to
15 support operations of the NC 2-1-1 program.
16 (2) \$107,813 in recurring funds in the 2019-2020 fiscal year to the Department of
17 Public Safety, Division of Emergency Management for three additional
18 full-time equivalent positions and five hundred three thousand one hundred
19 twenty-five dollars (\$503,125) in recurring funds and seven full-time
20 equivalent positions in the 2020-2021 fiscal year. The positions shall be used
21 to support the management of federal grants and other Division operations.
22 The positions funded during the 2019-2020 fiscal year are effective January
23 1, 2020.

24 **SECTION 1.3.(b)** If House Bill 966, 2019 Regular Session, becomes law, this
25 section is repealed.
26

27 **PART II. COUNTIES COVERED BY ACT**

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

- 30 (1) For disaster relief and recovery related to Hurricane Matthew, those counties
31 identified in Part III of S.L. 2016-124.
32 (2) For disaster relief and recovery related to Hurricane Florence or Michael,
33 those counties identified in S.L. 2018-136 or S.L. 2019-3.
34 (3) Declared a major disaster by the President of the United States under the
35 Stafford Act (P.L. 93-288) as a result of Hurricane Dorian.
36

37 **PART III. IMPLEMENTATION OF ACT/OTHER DISASTER RECOVERY-RELATED** 38 **CORRECTIONS AND MODIFICATIONS**

39 **FLEXIBILITY FOR USE OF CERTAIN FUNDS/REPORTING**

40 **SECTION 3.1.(a)** Notwithstanding any other provision of law, any State agency that
41 received funds pursuant to this act or any of the following enactments may reallocate unexpended
42 and unobligated program funds to the same programs or purposes for damage caused by
43 Hurricane Matthew, Florence, Michael, Dorian, or future storms:
44

- 45 (1) S.L. 2016-124.
46 (2) S.L. 2017-119.
47 (3) Section 5.6 of S.L. 2018-5.
48 (4) S.L. 2018-134.
49 (5) S.L. 2018-136.
50 (6) S.L. 2018-138.
51 (7) S.L. 2019-3.

1 (8) S.L. 2019-224.

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

- 7 (1) The original funding authorization.
- 8 (2) The original program or purpose for the use of the funds.
- 9 (3) The amount of funds expended or obligated for the original program or
10 purpose.
- 11 (4) The amount of funds that remain unexpended or unencumbered.
- 12 (5) The amount of funds to be reallocated.
- 13 (6) The hurricane or other authorized event to which the funds are being
14 reallocated.

15 **SECTION 3.1.(c)** This section expires when all funds appropriated under this act or
16 any act listed in subsection (b) of this section have been expended or obligated.
17

18 **USE OF STATE POOL OF PREQUALIFIED CONSTRUCTION CONTRACTORS**

19 **SECTION 3.2.(a)** G.S. 166A-19.15(f)(1) reads as rewritten:

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

- 22 (1) To appropriate and expend funds, make contracts, obtain and distribute
23 equipment, materials, and supplies for emergency management purposes and
24 to provide for the health and safety of persons and property, including
25 emergency assistance, consistent with this Article. This authority includes
26 awarding contracts for the repair, rehabilitation, or construction of private
27 residential structures funded by State or federal funds following a disaster
28 declared by the Governor under G.S. 166A-19.21 covering the political
29 subdivision. Notwithstanding Article 8 of Chapter 143 of the General Statutes,
30 a political subdivision is authorized to contract directly with contractors
31 prequalified by the Division pursuant to G.S. 166A-19.12(23) on the basis of
32 price, qualification, capacity, and any other objective criteria established by
33 the political subdivision."

34 **SECTION 3.2.(b)** G.S. 143-129(e) reads as rewritten:

35 "(e) Exceptions. – The requirements of this Article do not apply to:

36 ...

- 37 (13) Contracts for disaster recovery private residential construction or repair
38 awarded pursuant to G.S. 166A-19.12(23) and G.S. 166A-19.15(f)(1)."

40 **COMMUNITY DEVELOPMENT BLOCK GRANT FOR DISASTER RECOVERY** 41 **MODIFICATION**

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

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

COMMUNITY COLLEGE OFFSET

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

MODIFICATIONS TO DISASTER RECOVERY RECOMMENDED BY THE JOINT LEGISLATIVE COMMITTEE ON PROGRAM EVALUATION

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

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

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

...

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

a. June 1 of each year.

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

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

...."

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

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

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

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

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

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

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

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

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

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

7 (3) Outreach and intake metrics.

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

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

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

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

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

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

24 (2) Expenditures required to receive federal grants.

25 (3) Federal funding provided to the State to refund certain federally related
26 spending.

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

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

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

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

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

38 (1) Average time-cycle by process step, including from application to fund
39 distribution, by county where practicable.

40 (2) Number of projects by process step and managed overall, by county where
41 practicable.

42 (3) Average cost per project, excluding the infrastructure program, by county
43 where practicable.

44 (4) Outreach and intake metrics by county where practicable.

45 (5) Amount and percentage of disaster recovery funds spent on administrative
46 activities.

47 (6) Amount and percentage of disaster recovery funds disbursed on behalf of
48 recipients.

49 (7) Number and description of contracts issued.

50 (8) Status of all activities in progress to meet each of the funding streams'
51 operational objectives.

1 (9) Additional performance metrics developed by the Office.

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

9 (1) Average time-cycle to distribution or another appropriate measure of time, by
10 county where practicable.

11 (2) Number of projects, by county where practicable.

12 (3) Average cost per project, by county where practicable.

13 (4) Amount and percentage of disaster recovery funds spent on administrative
14 activities.

15 (5) Amount and percentage of disaster recovery funds encumbered for
16 administrative activities.

17 (6) Amount and percentage of disaster recovery funds disbursed on behalf of
18 recipients.

19 (7) Amount and percentage of disaster recovery funds encumbered on behalf of
20 recipients.

21 (8) Number of individuals, households, entities, or other unit served, by county
22 where practicable.

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

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

29 "**SECTION 5.8.(c)** Each report required by this section shall include information about all
30 funds expended or encumbered pursuant to this act or any other act providing funds to address
31 the impacts of Hurricanes ~~Matthew and Florence,~~ Matthew, Florence, Michael, and Dorian,
32 regardless of which State agency or non-State entity administers the funds. State agencies and
33 non-State entities that administer or receive any funds appropriated in this act shall assist and
34 fully cooperate with the Office of Recovery and Resiliency in meeting the Office's obligations
35 under this section."

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

38 (1) Administer the Community Development Block Grant-Disaster Recovery
39 (CDBG-DR) program during times when the Office is administering
40 CDBG-DR funds.

41 (2) Administer the CDBG-DR program during times when the Office is not
42 administering CDBG-DR funds.

43 (3) Maintain a base-level of staff to provide resiliency planning and coordination,
44 provide continuous required disaster recovery functions, and ensure the State
45 is adequately prepared to expand its disaster recovery efforts in the event of
46 future natural disasters.

47 (4) Expand from a base-level of staff to provide necessary functions immediately
48 following a natural disaster.

49 **SECTION 3.5.(e)** For each recommendation required under subsection (d) of this
50 section, the Office shall include the class and number of temporary or permanent full-time
51 equivalent positions. For each position, the Office shall include an explanation of the necessity

1 for the position to be permanent if applicable, the funding source of the position, and a job
2 description of the position with corresponding salary requirements. The Office shall report the
3 recommendations to the chairs of the House of Representatives and Senate Appropriations
4 Committees, the chairs of the House of Representatives and Senate Appropriations Committees
5 on Justice and Public Safety, the Joint Legislative Commission on Governmental Operations, and
6 the Fiscal Research Division by March 1, 2020.

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

13 14 **CORRECTION TO 2019 DISASTER RECOVERY ACT**

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

16 "**SECTION 1.1.** Transfer from Hurricane Florence Disaster Recovery Reserve. – The State
17 Controller shall transfer the sum of ~~ninety-four million one hundred three thousand dollars~~
18 ~~(\$94,103,000)~~ eighty-nine million one hundred three thousand dollars (\$89,103,000) in
19 nonrecurring funds for the 2019-2020 fiscal year from the Hurricane Florence Disaster Recovery
20 Reserve in the General Fund to the Hurricane Florence Disaster Recovery Fund created in S.L.
21 2018-134, and these funds are appropriated within the Fund and shall be allocated as provided in
22 Part II of this act."

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

24 25 **MODIFICATIONS TO FLOOD INSURANCE PILOT**

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

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

29 ...

30 (7) \$6,000,000 to the Department of Public Safety, Division of Emergency
31 Management to be used as follows:

32 ...

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

- 42 1. The applicant earned no more than eighty percent (80%) of the
43 subject area median income during the preceding calendar year
44 ~~and has not received flood insurance for the subject property~~
45 ~~from any federal program, including by the Community~~
46 ~~Development Block Grant Disaster Recovery or the Federal~~
47 ~~Emergency Management Agency (FEMA) Housing~~
48 ~~Assistance Program year.~~
- 49 2. The subject property is the applicant's primary residence, ~~is~~
50 ~~insurable, and has experienced a repetitive loss as that term is~~
51 ~~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, 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 Intracoastal 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 vehicles that are blocking or otherwise impeding vessel traffic in navigable waters."

PART IV. MISCELLANEOUS

REIMBURSEMENT FOR FUNDS PROVIDED UNDER THIS ACT

SECTION 4.1. 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. Further, each institution of higher education and non-State entity that receives State funds under this act shall also seek private donations to help cover the losses or needs for which these State funds are provided.

ADDITIONAL LIMITATIONS ON USE OF FUNDS

SECTION 4.2.(a) The Governor shall ensure that funds appropriated 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 Hurricane Florence. 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.

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

5
6 **INVOLVEMENT OF HISTORICALLY UNDERUTILIZED BUSINESSES**

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

11
12 **LEGISLATIVE REVIEW OF FEDERAL FUNDING AND REMAINING UNMET**
13 **NEEDS**

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

18
19 **PROHIBITION ON USE OF STATE FUNDS TO CONSTRUCT CERTAIN**
20 **RESIDENCES**

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

28 **SECTION 4.5.(b)** Homeowners in the 100-year floodplain who receive
29 homeowner's housing assistance pursuant to this act shall have in effect federal flood insurance,
30 if available, as a precondition to receipt of State homeowner's housing assistance for losses
31 resulting from future flooding.

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

37
38 **EACH APPROPRIATION AND ALLOCATION IS MAXIMUM AND CONDITIONAL**

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

42
43 **APPROPRIATION OF FEDERAL FUNDS**

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

51

DIRECTED GRANTS

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

(1) Directed grant. – Nonrecurring funds allocated by a State agency to a non-State entity as directed by an act of the General Assembly.

(2) Non-State entity. – As defined in G.S. 143C-1-1.

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

(1) Directed grants are subject to the provisions of subsections (b) through (k) of G.S. 143C-6-23.

(2) Directed grants of one hundred thousand dollars (\$100,000) or less may be made in a single annual payment in the discretion of the Director of the Budget. Directed grants of more than one hundred thousand dollars (\$100,000) shall be made in quarterly or monthly payments in the discretion of the Director of the Budget. A State agency administering a directed grant shall begin disbursement of funds to a non-State entity that meets all applicable requirements as soon as practicable, but no later than 100 days after the date this act becomes law.

(3) Beginning on the first day of a quarter following the deadline provided in subdivision (2) of this subsection and quarterly thereafter, State agencies administering directed grants shall report to the Fiscal Research Division on the status of funds disbursed for each directed grant until all funds are fully disbursed. At a minimum, the report required under this subdivision shall include updates on (i) the date of the initial contact, (ii) the date the contract was sent to the entity receiving the funds, (iii) the date the disbursing agency received the fully executed contract back from the entity, (iv) the contract execution date, and (v) the payment date.

(4) Notwithstanding any provision of G.S. 143C-1-2(b) to the contrary, nonrecurring funds appropriated in this act as directed grants shall not revert until June 30, 2021.

(5) Directed grants to nonprofit organizations are for nonsectarian, nonreligious purposes only.

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

PART V. EFFECTIVE DATE

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