

1 declared a state of emergency due to the current and anticipated impacts from those wildfires in
 2 all of Western North Carolina, as well as the tribal lands in the State of North Carolina held by
 3 the Eastern Band of Cherokee Indians.

4
 5 **PART II. HURRICANE HELENE DISASTER RECOVERY APPROPRIATIONS AND**
 6 **PROGRAMS**

7
 8 **SUBPART II-A. DISASTER RECOVERY APPROPRIATIONS AND TRANSFERS**

9 **SECTION 2A.1.(a)** Helene Reserve. – The State Controller shall reserve to the
 10 Hurricane Helene Disaster Recovery Fund (Helene Fund) established in Section 4.1 of S.L.
 11 2024-51 funds transferred from the following for the 2025-2026 fiscal year:

12	13 Source	14 2025-2026
15 (1)	State Emergency Response and 16 Disaster Relief Fund	\$104,963,059
17 (2)	Federal Infrastructure Match Reserve	45,469,983
18 (3)	Medicaid Contingency Reserve	476,512,736
19 (4)	Information Technology Reserve	8,304,222.

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 24 **SECTION 2A.1.(b)** Reservations Not Appropriation. – Funds reserved pursuant to
 25 this section do not constitute an "appropriation made by law," as that phrase is used in Section
 26 7(1) of Article V of the North Carolina Constitution.

27 **SECTION 2A.2.(a)** Additional Transfer of Unused and Underutilized Funds. – The
 28 State Controller shall transfer to the Helene Fund the sum of sixty-four million seven hundred
 29 fifty thousand dollars (\$64,750,000) in the 2025-2026 fiscal year appropriated or allocated to the
 30 agencies as set forth in this section:

- 31 (1) Forty-five million dollars (\$45,000,000) for the Department of Environmental
 32 Quality:
 - 33 a. Twenty-five million dollars (\$25,000,000) previously allocated for the
 34 Water Infrastructure Emergency Bridge Loan Program in accordance
 35 with Sections 2.1(a) and 4C.7 of S.L. 2024-53.
 - 36 b. Twenty million dollars (\$20,000,000) previously allocated for the
 37 Emergency Infrastructure Bridge Loan Program for Commercial
 38 Underground Storage Tanks in accordance with Sections 2.1(a) and
 39 4C.8 of S.L. 2024-53.
- 40 (2) Twelve million five hundred thousand dollars (\$12,500,000) for the
 41 Department of Public Instruction previously allocated for lost compensation
 42 from school closures in accordance with Sections 6.1(a) and 8.1(c) of S.L.
 43 2024-51.
- 44 (3) Five million dollars (\$5,000,000) for The University of North Carolina
 45 System Office previously allocated for the repair and renovation of facilities
 46 in accordance with Section 2.1(a) of S.L. 2024-53 and the Committee Report
 47 described in Section 6.1 of that act.
- 48 (4) Two million two hundred fifty thousand dollars (\$2,250,000) for the NCSBE
 49 previously allocated to conduct the 2024 General Election in the affected area
 50 in accordance with Sections 6.1(a) and 9.1(c) of S.L. 2024-51.

1 **SECTION 2A.2.(b)** Reallocation of Unused and Underutilized Funds. – Of the funds
2 appropriated to the North Carolina Community Colleges System Office for the tuition grant
3 program established pursuant to Section 4A.3 of S.L. 2024-53, the following amounts shall be
4 reallocated as follows:

- 5 (1) Two million four hundred seventy-three thousand nine hundred seventy-one
6 dollars (\$2,473,971) in unexpended funds shall instead be used for community
7 colleges located in the affected area that experienced enrollment declines from
8 the 2023-2024 academic year to the 2024-2025 academic year.
- 9 (2) One million one hundred sixty-three thousand twenty-nine dollars
10 (\$1,163,029) in unexpended funds shall instead be used for funding for
11 students to pay for tuition, fees, and emergency expenses that impact a
12 student's ability to remain enrolled.

13 **SECTION 2A.3.(a)** Appropriation. – There is appropriated from the Helene Fund
14 the sum of five hundred million dollars (\$500,000,000) in nonrecurring funds for the 2025-2026
15 fiscal year as follows:

- 16 (1) Sixty-three million dollars (\$63,000,000) to the Department of Agriculture
17 and Consumer Services as follows:
 - 18 a. Twenty-five million dollars (\$25,000,000) for the Agricultural
19 Disaster Crop Loss Program (Program) established in Section 2D.1 of
20 S.L. 2025-2. These funds shall only be used for verifiable losses of
21 farm infrastructure, as that term is defined in Section 2D.1(g) of S.L.
22 2025-2, in the affected area. These funds are not subject to the
23 Commissioner of Agriculture's discretion under Section 2D.1(h) of
24 S.L. 2025-2. The reporting requirements of the Program apply to these
25 funds. The Department of Agriculture may apply these funds to
26 existing applicants who have applied for farm infrastructure losses in
27 the affected area prior to the date this act becomes law and shall open
28 a new application period for these funds.
 - 29 b. Fifteen million dollars (\$15,000,000) for the Streamflow
30 Rehabilitation Assistance Program to be used in accordance with
31 Article 6 of Chapter 139 of the General Statutes in the affected area.
 - 32 c. Fifteen million dollars (\$15,000,000) for the North Carolina Forest
33 Service for wildfire assets and preparedness, including contract
34 services and equipment to respond and fight wildfires in the affected
35 area.
 - 36 d. Eight million dollars (\$8,000,000) for the North Carolina Agricultural
37 Manufacturing and Processing Initiative for grants to eligible
38 recipients under Section 10.2(b)(3) of S.L. 2023-134, as amended by
39 Section 4.10 of S.L. 2024-1, for atmosphere-controlled projects in the
40 affected area.
- 41 (2) Ten million dollars (\$10,000,000) to the Department of Commerce as follows:
 - 42 a. Five million dollars (\$5,000,000) for the nonprofit corporation with
43 which the Department contracts pursuant to G.S. 143B-431.01(b) for
44 Visit NC to promote Western North Carolina tourism.
 - 45 b. Five million dollars (\$5,000,000) for the Division of Community
46 Revitalization for operational expenses and staffing.
- 47 (3) Thirteen million dollars (\$13,000,000) to the Department of Environmental
48 Quality as follows:
 - 49 a. Ten million dollars (\$10,000,000) for the Dam Safety Grant Fund to
50 repair, modify, or remove dams damaged by Hurricane Helene in the

- 1 affected area, consistent with G.S. 143-215.32B, as enacted by
2 Subpart II-E of this act.
- 3 b. Three million dollars (\$3,000,000) for landslide hazard mapping in the
4 affected area.
- 5 (4) Three million dollars (\$3,000,000) to the Department of Information
6 Technology to develop the disaster recovery constituent portal in accordance
7 with Subpart II-F of this act.
- 8 (5) Twelve million two hundred fifty thousand dollars (\$12,250,000) to the
9 Department of Natural and Cultural Resources for the Parks and Recreation
10 Trust Fund for eligible uses in the affected area. Of these funds, sixty five
11 percent (65%) shall be used for the State Parks System or State recreational
12 forests in accordance with G.S. 143-135.56(b)(1) and thirty five percent
13 (35%) for matching funds to units of local government or public authorities in
14 accordance with G.S. 143B-135.56(b)(2). The North Carolina Parks and
15 Recreation Authority shall not impose the maximum grant size set forth in
16 NCAC Subchapter 13K .0100 with respect to funds provided by this
17 subdivision.
- 18 (6) Eight million dollars (\$8,000,000) to the Department of Public Instruction to
19 disburse as a competitive grant program to public school units to repair public
20 school infrastructure or buildings damaged by Hurricane Helene in the
21 affected area. To qualify for these funds, public school units must have been
22 denied insurance coverage and federal aid for the infrastructure damaged prior
23 to receipt of the funds. Each grant awarded under this subdivision shall be no
24 more than five hundred thousand dollars (\$500,000).
- 25 (7) Two hundred eight million dollars (\$208,000,000) to NCEM as follows:
- 26 a. Seventy-five million dollars (\$75,000,000) for the Private Road and
27 Bridge Repair Program (Program), established in Subpart II-C of S.L.
28 2025-2. Of these funds, twenty-five million dollars (\$25,000,000)
29 shall be used solely for reimbursement to persons and homeowners
30 associations (HOAs) with qualifying projects that have been
31 completed. Persons and HOAs applying for reimbursement shall be
32 eligible for fifty percent (50%) of costs. Applications for
33 reimbursement shall be accepted by NCEM for a period of six months
34 from the date NCEM opens an application process to persons in the
35 affected area. If funds remain after the application period closes for
36 reimbursement, the remaining funds shall be repurposed within the
37 Program for new construction of eligible projects. The reporting
38 requirements under Section 2C.1(e) of S.L. 2025-2 apply to these
39 funds.
- 40 b. Seventy million dollars (\$70,000,000) for the 2025-2026 fiscal year
41 for NCEM to provide the nonfederal share for FEMA disaster recovery
42 programs for Hurricane Helene.
- 43 c. Twenty-five million dollars (\$25,000,000) for the Aerial Asset
44 Accessibility Grant Program in accordance with Subpart II-D of this
45 act.
- 46 d. Twenty million dollars (\$20,000,000) for the Disaster Relief and
47 Mitigation Fund for the Hurricane Helene Flood Mitigation Grant
48 Program in accordance with Subpart II-C of this act.
- 49 e. Eighteen million dollars (\$18,000,000) to disburse grants to any
50 member organization of Volunteer Organizations Active in Disaster
51 (VOADs) actively involved in actual and ongoing repair and

- 1 reconstruction projects. NCEM shall submit a report by October 1,
2 2025, and every six months thereafter until all funds are expended, to
3 the Joint Legislative Emergency Management Oversight Committee
4 and Fiscal Research Division detailing the use of the funds allocated
5 to VOADs under this subdivision and Section 2A.2(7) of S.L. 2025-2.
- 6 (8) Ninety-six million two hundred fifty thousand dollars (\$96,250,000) to
7 OSBM as follows:
- 8 a. Seventy million dollars (\$70,000,000) for the Hurricane Helene Local
9 Government Capital Grant Program (Program) in accordance with
10 Subpart II-B of this act. Of these funds, twenty million dollars
11 (\$20,000,000) shall be allocated to Madison County. Of these funds,
12 OSBM may use up to two hundred fifty thousand dollars (\$250,000)
13 for administrative costs to implement and operate the Program.
- 14 b. Sixteen million dollars (\$16,000,000) to the Town of Canton (Town)
15 as follows:
- 16 1. Two million dollars (\$2,000,000) to provide emergency
17 operating support directly related to ensuring continuity of
18 wastewater treatment service for customers of the wastewater
19 system serving the Town.
- 20 2. Fourteen million dollars (\$14,000,000) for acquisition of the
21 former Pactiv wastewater treatment facility and other related
22 properties for the purpose of constructing a new regional
23 wastewater treatment facility and other related infrastructure
24 outside of the floodplain for disaster mitigation and recovery.
- 25 c. Four million two hundred fifty thousand dollars (\$4,250,000) to
26 disburse grants to repair damage from Hurricane Helene:
- 27 1. One million five hundred thousand dollars (\$1,500,000) to
28 Lees-McRae College.
- 29 2. One million five hundred thousand dollars (\$1,500,000) to
30 Montreat College.
- 31 3. Five hundred thousand dollars (\$500,000) to Mars Hill
32 University.
- 33 4. Two hundred fifty thousand dollars (\$250,000) to Brevard
34 College.
- 35 5. Two hundred fifty thousand dollars (\$250,000) to
36 Gardner-Webb University.
- 37 6. Two hundred fifty thousand dollars (\$250,000) to
38 Lenoir-Rhyne University.
- 39 d. Six million dollars (\$6,000,000) to the entities listed in this
40 sub-subdivision in the following amounts to provide technical
41 assistance to units of local governments in the affected area with (i)
42 federal financial aid applications, (ii) disaster recovery funding, (iii)
43 support planning and permitting assistance, and (iv) building capacity
44 for building and trade inspections. In providing this assistance, these
45 entities shall prioritize assistance to units of local government in
46 counties with a population of less than 250,000 in the affected area.
47 Any unit of local government that has received a separate allocation
48 of federal aid through HUD for Hurricane Helene is not eligible for
49 this funding.
- 50 1. Two million dollars (\$2,000,000) to the North Carolina League
51 of Municipalities.

1 shall ensure that funds do not duplicate funds received from insurance for the
2 same purposes.

3 (2) Thirty-one million three hundred thousand dollars (\$31,300,000) for Capital
4 Recovery Funds for the Public School Facilities Program, established in S.L.
5 2024-53, Committee Report, page F2, Item 7.

6 **SECTION 2A.3.(d)** Of the funds allocated to NCEM in this act, NCEM may use
7 one-half percent (0.5%), totaling one million four hundred thousand dollars (\$1,400,000), for
8 administrative purposes to implement and operate programs funded and established in this act.

9 **SECTION 2A.3.(e)** Division of Community Revitalization Funding. – The funds
10 appropriated pursuant to G.S. 143C-5-4(b) to the Future Building Reserves which have been
11 transferred to the Department of Commerce, Division of Community Revitalization (Budget
12 Code 14600, Budget Fund 104639), are reduced by five million dollars (\$5,000,000) recurring
13 in each year of the 2025-2027 fiscal biennium.

14 **SECTION 2A.3.(f)** G.R.O.W. NC Funding. – The funds appropriated pursuant to
15 G.S. 143C-5-4(b) to the Future Building Reserves which have been transferred to G.R.O.W. NC
16 (Budget Code 13000, Budget Fund 100201) are reduced for each fiscal year of the 2025-2027
17 fiscal biennium by the sum of five million dollars (\$5,000,000) in recurring funds.

18 **SECTION 2A.3.(g)** Contingency Repeal. – If House Bill 125, 2025 Regular Session,
19 becomes law, then Sections 2A.3(e) and (f) of this act are repealed.

20 **SECTION 2A.3.(h)** Maximum Amounts for Certain Grant Programs. – Grant
21 programs for units of local government that specifically allocate a portion of funds to a named
22 unit of local government shall account for and reduce that unit's otherwise allowable amount
23 from the program.

24 **SECTION 2A.4.(a)** Reallocate Previously Appropriated Funds. – Notwithstanding
25 any other provision of law to the contrary, the following previously appropriated funds to the
26 Department of Transportation shall be reallocated for use in accordance with subsection (b) of
27 this section:

28
29 Unexpended Dorian Funds/NCFS Budget Fund 801278 \$28,161,418
30

31 **SECTION 2A.4.(b)** Recovery Funds. – The following funds, the total sum of which
32 is two hundred ninety-eight million one hundred sixty-one thousand four hundred eighteen
33 dollars (\$298,161,418), shall be used by the Department of Transportation for cash flow and
34 federal matching purposes for activities related to recovery from Hurricane Helene:

35 (1) Funds allocated in accordance with Section 2A.5(b)(3) and subsection (a) of
36 this section.

37 (2) Notwithstanding subsections (f) and (f1) of G.S. 136-44.2 and any other
38 provision of law to the contrary, for the 2025-2026 fiscal year, the Department
39 of Transportation shall use up to two hundred seventy million dollars
40 (\$270,000,000) in Credit Balance Funds.

41 In addition to the total amount of funds allocated by this subsection and
42 notwithstanding subsections (f) and (f1) of G.S. 136-44.2 and any other provision of law to the
43 contrary, the Department of Transportation shall use all future Credit Balance Funds for activities
44 related to recovery from Hurricane Helene until recovery is completed.

45 **SECTION 2A.4.(c)** Management of Funds. – All funds used for Hurricane Helene
46 recovery as set forth in this section shall be managed in a separate project account within the
47 Reserve for General Maintenance (GMR). Federal reimbursements for funds expended from this
48 account shall be deposited in this account. Upon recovery completion, any remaining Recovery
49 Funds shall be transferred to GMR for use by the Department.

50 **SECTION 2A.4.(d)** Cash Watch Weekly Report. – In addition to the other items
51 published in the weekly report required under G.S. 143C-6-11(n), the Department shall include

1 the total sum of Hurricane Helene expenditures and the total sum of federal reimbursements
2 received by the Department. This requirement shall remain in effect until recovery is complete
3 and the Department has received all federal reimbursements.

4 **SECTION 2A.5.(a)** Temporary Authorization of NCRR Dividend. – For each year
5 of the 2025-2027 fiscal biennium, any State-owned railroad company that has trackage in more
6 than two counties shall issue an annual cash dividend to the State. The dividend shall be deposited
7 in the Highway Fund. The amount of the dividend for each year of the biennium is twenty-five
8 percent (25%) of the company's income from the prior year's trackage rights agreements. The
9 dividend is due by February 15 of each year, and interest shall accrue at the annual rate of prime
10 plus one percent (1%) if the payment is not paid by the due date. The Directors of any
11 State-owned railroad company who vote for or assent to the dividend required under this section
12 shall not be held liable under G.S. 55-8-33.

13 **SECTION 2A.5.(b)** Appropriation of NCRR Dividend First Year. – For the
14 2025-2026 fiscal year, the funds deposited in accordance with section (a) of this section are
15 hereby appropriated to the Department of Transportation to be allocated in accordance with the
16 following:

- 17 (1) The sum of two million dollars (\$2,000,000) in nonrecurring funds to Blue
18 Ridge Southern Railroad, LLC, for recovery and repair of infrastructure
19 damaged by Hurricane Helene. The remaining funds from this allocation shall
20 revert to the Highway Fund for use in accordance with Section 2A.4(c) of this
21 act on June 30, 2027.
- 22 (2) The sum of two million dollars (\$2,000,000) in nonrecurring funds to Great
23 Smoky Mountains Railroad, LLC, for recovery and repair of infrastructure
24 damaged by Hurricane Helene. The remaining funds from this allocation shall
25 be deposited to the Highway Fund for use in accordance with Section 2A.4(c) of
26 this act on June 30, 2027.
- 27 (3) The sum of six hundred thousand dollars (\$600,000) in nonrecurring funds for
28 use in accordance with Section 2A.4(b) of this act.

29 **SECTION 2A.5.(c)** Appropriation of NCRR Dividend Second Year. – For the
30 2026-2027 fiscal year the funds deposited in accordance with subsection (a) of this section are
31 hereby appropriated to the Department of Transportation for use in accordance with Section
32 2A.4(b) of this act.

33 **SECTION 2A.6.** The State Controller shall transfer from the Stabilization and
34 Inflation Reserve established in Section 2.2(q) of S.L. 2022-74 to the North Carolina Selectsite
35 Fund established in Section 11.12(c) of S.L. 2023-134 the nonrecurring sum of fifteen million
36 dollars (\$15,000,000) for the 2025-2026 fiscal year. Amounts transferred pursuant to this section
37 are appropriated, and must be used, for (i) purposes consistent with Section 11.12 of S.L.
38 2023-134, as amended by Section 4.3 of S.L. 2025-4, and (ii) to the extent not otherwise allowed
39 by this section, for costs for other public infrastructure and site development improvements at a
40 site other than a selectsite that are needed to facilitate an economic development project on a
41 selectsite.

42 **SECTION 2A.7.(a)** Lumber River Basin Funding. – The State Controller shall
43 transfer the sum of twenty million dollars (\$20,000,000) in nonrecurring funds for the 2025-2026
44 fiscal year of the funds allocated to the Department of Environmental Quality from the State
45 Capital and Infrastructure Fund as referenced in Section 40.7 of S.L. 2021-180, as amended, to
46 Robeson County for State matching requirements for federal funding for the community-led
47 Lumber River Basin Coalition waterway restoration project due to damage from Potential
48 Tropical Cyclone #8 and Tropical Storm Debby.

49 **SECTION 2A.7.(b)** Reversion. – Remaining unspent funds appropriated under this
50 section shall revert to the State Capital and Infrastructure Fund to be used for the original purpose

1 set forth in Section 40.7 of S.L. 2021-180, as amended, if not used to draw down federal funds
2 before the expiration of the federal deadline to receive those funds.

3
4 **SUBPART II-B. HURRICANE HELENE LOCAL GOVERNMENT CAPITAL GRANT**
5 **PROGRAM**

6 **SECTION 2B.1.(a)** Establishment. – There is established the Hurricane Helene
7 Local Government Capital Grant Program (Program) to be administered by the Office of State
8 Budget and Management. The purpose of the Program is to disburse grants to eligible recipients
9 for capital projects in the affected area in accordance with the Program requirements set forth in
10 this section.

11 **SECTION 2B.1.(b)** Criteria; Uses. – OSBM shall disburse grants to eligible
12 recipients under a damage per capita formula developed from FEMA's damage estimates and
13 reports in the affected area from Hurricane Helene. The grants shall be used for capital projects
14 to repair, renovate, or replace infrastructure damaged by Hurricane Helene. These capital projects
15 must be projects that have been denied eligibility for FEMA Public Assistance reimbursement.

16 **SECTION 2B.1.(c)** Eligible Recipients. – To be eligible for a grant under the
17 Program, a recipient shall be a unit of local government or a federally recognized tribe on lands
18 held in trust by the United States located in the affected area.

19 **SECTION 2B.1.(d)** Prioritization. – OSBM shall prioritize grants to an eligible
20 recipient with a population of 300,000 or fewer based on the 2023 Certified County Population
21 Estimates from the State Demographer and that qualify, in whole or in part, for FEMA Public
22 Assistance Categories C through G.

23 **SECTION 2B.1.(e)** Maximum Grant Awards. – OSBM shall not award more than
24 the following percentages of the funds appropriated for the Program:

- 25 (1) Twenty percent (20%) to one county, including grants to units of local
26 government within that county.
27 (2) Five percent (5%) per eligible recipient.
28 (3) Five percent (5%) per zip code if that zip code only qualifies for FEMA Public
29 Assistance Categories A through B.

30 **SECTION 2B.1.(f)** Reporting Requirement. – OSBM shall submit a report to the
31 chairs of the Joint Legislative Oversight Committee on General Government and the Joint
32 Legislative Emergency Management Oversight Committee and the Fiscal Research Division no
33 later than six months after the application period for this Program opens, and every six months
34 thereafter until all funds are expended. The report shall include, at a minimum, all of the
35 following:

- 36 (1) The number of grants disbursed and to which eligible recipients.
37 (2) The proposed uses for each grant.
38 (3) The average and median amounts of the grants disbursed under the Program.
39

40 **SUBPART II-C. HURRICANE HELENE FLOOD MITIGATION GRANT PROGRAM**

41 **SECTION 2C.1.(a)** Establishment. – There is established the Hurricane Helene
42 Flood Mitigation Grant Program (Program). The funds appropriated in this act to NCEM for the
43 Disaster Relief and Mitigation Fund (DRMF) shall be used to provide funds to the Program to
44 provide flood mitigation grants to units of local government and nonprofit organizations to
45 undertake flood mitigation projects in the affected area. Units of local government may also apply
46 for engineering assistance grants.

47 **SECTION 2C.1.(b)** Flood Mitigation Grants. – Grants disbursed under the Program
48 for eligible flood mitigation grants must be for projects that reduce the risk of future damage
49 from flooding through structural or nonstructural measures through the following:

- 50 (1) Culvert or bridge retrofits or replacements.
51 (2) Stormwater and drainage system improvements.

1 (3) Relocation of at-risk infrastructure.

2 (4) Hardening of critical facilities and utilities.

3 **SECTION 2C.1.(c)** Engineering Assistance Grants. – Grants disbursed under the
4 Program may also be used by units of local government to identify and design shovel-ready
5 projects related to flood mitigation.

6 **SECTION 2C.1.(d)** Cost-Share. – There is no cost-share or matching requirement
7 by recipients to receive grants under the Program. Recipients of grants will be paid under a
8 reimbursement model for costs incurred for eligible flood mitigation or engineering assistance
9 grants.

10 **SECTION 2C.1.(e)** Maximum Grant Awards. – NCEM shall not award a grant
11 larger than (i) ten percent (10%) to a single recipient or (ii) twenty percent (20%) to a single
12 county, of the total amount of funds appropriated in this act for the Program.

13 **SECTION 2C.1.(f)** Administrative Expenses. – NCEM may retain up to one and
14 one-half percent (1.5%) of the funds appropriated for the Program created by this section for
15 administrative expenses.

16 **SECTION 2C.1.(g)** DRMF Requirements. – To the extent the Program requirements
17 described in this section conflict with the DRMF requirements, this section controls.

18 **SUBPART II-D. AERIAL ASSET ACCESSIBILITY GRANT PROGRAM**

19 **SECTION 2D.1.(a)** Program; Purpose. – There is established the Aerial Asset
20 Accessibility Grant Program (Program) to be administered by NCEM. The purpose of the
21 Program is to disburse grants to local airports in the affected area to (i) repair, replace, and restore
22 infrastructure damaged by Hurricane Helene and (ii) build and improve capacity for emergency
23 preparedness and disaster response for future natural disasters and emergencies. NCEM shall
24 consult with the Department of Transportation if grant applications concern airport roads or other
25 infrastructure, as necessary.

26 **SECTION 2D.1.(b)** Grants for Damaged Infrastructure. – NCEM shall disburse
27 grants to eligible recipients to repair, replace, and restore infrastructure on airport property,
28 including terminals, runways, gates, hangars, curtilage structures, airport roads, and other
29 structures damaged by Hurricane Helene. Applicants for these grants must pursue insurance
30 coverage and federal aid prior to being awarded a grant for these purposes.

31 **SECTION 2D.1.(c)** Grants for Capacity for Emergency Preparedness. – NCEM shall
32 disburse grants to eligible recipients to improve the capacity for emergency preparedness and
33 disaster response through capital projects and infrastructure and communication improvements
34 on airfield property. Eligible recipients must demonstrate how the project or improvement will
35 increase emergency preparedness and disaster response.

36 **SECTION 2D.1.(d)** Eligible Recipient. – An eligible recipient for a grant awarded
37 under this Program shall be limited to persons or units of local government that own an airport
38 that (i) is currently in operation or (ii) was in operation prior to Hurricane Helene and not
39 currently in operation but for damage from Hurricane Helene and meets the following criteria:

40 (1) Must have a fuel truck available 24 hours per day and seven days per week.

41 (2) The county in which the airport resides must enter into an agreement with the
42 State giving the State untethered access to any facilities provided under the
43 Program.

44 (3) Must have on-site aviation mechanics that offer services to the public.

45 (4) During a state of emergency, the airport must be able to be open 24 hours per
46 day and seven days per week.

47 (5) Does not offer passenger service.

48 **SECTION 2D.1.(e)** Prioritization. – NCEM shall prioritize applicants with facilities
49 that demonstrate adequate runway capacity, storage capacity, and personnel that can substantially
50 contribute to enhanced regional emergency and disaster readiness. These prioritized applicants
51

1 shall also be capable of facilitating access of various forms and sizes of aircraft providing
2 adequate takeoff and landing clearance.

3 **SECTION 2D.1.(f) Maximum Grant Award.** – Grants awarded under this Program
4 shall not exceed five million dollars (\$5,000,000) per eligible recipient. A county in the affected
5 area shall not receive more than two grants from the Program.

6 **SECTION 2D.1.(g) Reporting Requirement.** – NCEM shall submit a report to the
7 chairs of the Joint Legislative Emergency Management Oversight Committee and the Fiscal
8 Research Division no later than six months after the application period for this Program opens,
9 and every six months thereafter until all funds are expended. The report shall include, at a
10 minimum, all of the following:

- 11 (1) The number of grants disbursed and to which eligible recipients.
- 12 (2) The proposed uses for each grant.
- 13 (3) The average and median amounts of the grants disbursed under the Program.

14 **SUBPART II-E. DAM SAFETY GRANT FUND**

15 **SECTION 2E.1.** Part 3 of Article 21 of Chapter 143 of the General Statutes is
16 amended by adding a new section to read:

17 **"§ 143-215.32B. Dam Safety Grant Fund.**

18 (a) Creation; Purpose. – There is created within the Department a special, nonreverting
19 account to be known as the Dam Safety Grant Fund to issue grants from the Fund to eligible dam
20 owners for the purpose of dam repair, modification, or removal, if the dam was damaged by a
21 natural disaster. The Fund shall be administered by the Division of Energy, Mineral, and Land
22 Resources.

23 (b) Prioritization. – The Department shall assign priority for grants that serve as the State
24 match to eligible projects based on the Risk-Based Prioritization Method established under the
25 Federal Emergency Management Agency (FEMA) High Hazard Potential Dams (HHPD)
26 Rehabilitation Grant Program. Funds may also be used for dams not eligible for federal match
27 under the HHPD Rehabilitation Grant Program if the dam was damaged by a natural disaster and
28 classified as high hazard.

29 (c) The Department shall, when funding is available, administer grants from the Fund in
30 a manner consistent with applicable federal and State law and regulations.

31 (d) The Department shall submit an annual report to the Joint Legislative Oversight
32 Committee on Agriculture and Natural and Economic Resources detailing the projects funded,
33 federal dollars drawn from the HHPD Rehabilitation Grant Program for those projects, and
34 locations, types, and justification of each project."

35 **SUBPART II-F. DISASTER RECOVERY CONSTITUENT PORTAL**

36 **SECTION 2F.1.** The Department of Information Technology shall issue a request
37 for proposals for the development and creation of a disaster relief portal, focused on constituent
38 engagement, that will operate as a central platform for relevant updates and constituent services
39 in response to natural disasters occurring in the State. The disaster focused constituent
40 engagement portal shall be designed to consolidate critical information and programs from all
41 relevant State agency websites and any federal resources from FEMA, HUD, or other federal
42 agencies, including disaster recovery case management, into a single, centralized portal where
43 affected citizens can engage with State agencies, find resources, and receive real-time
44 information.

45 **PART III. ADDITIONAL BUDGETARY FUNDING AVAILABILITY AND** 46 **REGULATION**

47 **SECTION 3.1.** Extension of State of Emergency. – In accordance with
48 G.S. 166A-19.20(c)(2), the statewide declaration of emergency issued by the Governor in
49

1 Executive Order No. 315, concurred to by the Council of State, and extended by Section 3.1 of
2 S.L. 2024-51 and Section 3.1 of S.L. 2025-2, is further extended until October 1, 2025. This
3 extension applies to the regulatory flexibilities listed in Section 5.1 of S.L. 2025-2. This provision
4 has no effect on Executive Order No. 322, issued by the Governor on October 16, 2024.

5 **SECTION 3.2.(a)** Federal Funds for Water and Sewer Projects. – The General
6 Assembly finds that the supplemental appropriations provided by Congress in the American
7 Relief Act of 2025 (P.L. 118-158) and allocated by the U.S. Environmental Protection Agency
8 to the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund for
9 wastewater treatment works, drinking water facilities, and decentralized wastewater treatment
10 systems in the State impacted by Hurricane Helene should be expeditiously used for repair and
11 replacement of drinking water and wastewater infrastructure damaged by Hurricane Helene.

12 Accordingly, the General Assembly appropriates in this act for the 2025-2026 fiscal
13 year the sum of six hundred eighty-five million six hundred thirteen thousand dollars
14 (\$685,613,000) in federal disaster funding in this act, which is allocated in and for the following
15 amounts and uses:

- 16 (1) Two hundred fifty-three million six hundred eighty-one thousand dollars
17 (\$253,681,000) to the Clean Water State Revolving Fund established in
18 G.S. 159G-22(b) (CWSRF) and four hundred nine million four hundred
19 twenty-two thousand dollars (\$409,422,000) to the Drinking Water State
20 Revolving Fund established in G.S. 159G-22(c) (DWSRF) for funding of
21 projects consistent with applicable federal law and guidance to CWSRF and
22 DWSRF eligible entities that were damaged, can demonstrate impact, or
23 experienced a loss or disruption of a mission-essential function caused by
24 Hurricane Helene.
- 25 (2) Twenty-two million five hundred ten thousand dollars (\$22,510,000) to the
26 CWSRF to improve the resilience of decentralized wastewater treatment
27 systems to flooding, to assess the potential to connect homes served by
28 decentralized wastewater treatment systems to centralized wastewater
29 systems, and to fund such connections.

30 **SECTION 3.2.(b)** Receipt. – These funds shall be receipted by the Department of
31 Environmental Quality in the amounts listed in subsection (a) of this section for those purposes.

32 **SECTION 3.2.(c)** The following entities are eligible to apply for a loan or grant from
33 funds appropriated in this act to the Clean Water State Revolving Fund for decentralized
34 wastewater treatment systems:

- 35 (1) A local government unit or a nonprofit water corporation, as defined in
36 G.S. 159G-20.
- 37 (2) A Community Development Finance Institution or a nonprofit organization
38 that provides financing assistance to homeowners to repair or replace
39 decentralized wastewater systems in North Carolina.

40 **SECTION 3.3.** Extend Term of Water Infrastructure Loans. – Section 4C.7(j) of S.L.
41 2024-53, as amended by Section 1D.10 of S.L. 2024-57, reads as rewritten:

42 **"SECTION 4C.7.(j)** Terms. – A loan from the program is subject to all of the following:

- 43 (1) Interest rate. – The loan does not bear interest.
- 44 (2) Maturity. – The loan matures upon the earlier of (i) receipt of federal or State
45 disaster relief by the provider or (ii) ~~June 30, 2030.~~ June 30, 2035."

46 **SECTION 3.4.** Emergency Flexibility of Funds. – G.S. 166A-19.40 reads as
47 rewritten:

48 **"§ 166A-19.40. Use of contingency and emergency funds.**

49 (a) Use of Contingency and Emergency Funds. – The Governor may use contingency and
50 emergency funds:

- 1 (1) As necessary and appropriate to provide relief and assistance from the effects
2 of an emergency.
- 3 (2) As necessary and appropriate for National Guard training in preparation for
4 emergencies with the concurrence of the Council of State.
- 5 (b) Repealed by Session Laws 2015-241, s. 6.19(a), effective July 1, 2015.
- 6 (c) Use of Other Funds. – The Governor may reallocate on a nonrecurring basis such
7 other funds as may reasonably be available within the appropriations of the various departments
8 when all of the following conditions are satisfied:
- 9 (1) The severity and magnitude of the emergency so requires.
- 10 (2) Contingency and emergency funds are insufficient or inappropriate.
- 11 (3) A state of emergency has been declared pursuant to G.S. 166A-19.20(a).
- 12 (4) Funds in the State Emergency Response and Disaster Relief Fund are
13 insufficient."

14 **SECTION 3.5.** Demolition Exception for Black Mountain Home for Children. –
15 Notwithstanding any provision of law or policy promulgated or adopted by The University of
16 North Carolina to the contrary, qualifying structures may be demolished if approved by the Chief
17 Financial Officer, Chancellor, and Board of Trustees of North Carolina State University. All
18 demolition work and activities that may occur with respect to qualifying structures shall be
19 performed in accordance with all applicable laws, regulations, rules and ordinances, including,
20 without limitation, permitting requirements. For purposes of this section, qualifying structures
21 means up to three buildings (i) damaged as a result of Hurricane Helene, (ii) with an assessment
22 of the damage to, and subsequent condemnation of, the structures by the State Construction
23 Office, Department of Administration, (iii) owned by North Carolina State University, and (iv)
24 leased to Black Mountain Home for Children as the Swannanoa 4-H Camp.

25 **SECTION 3.6.(a)** Competitive Grant Prioritization. – Notwithstanding any other
26 provision of law, for the 2025-2026 fiscal year, the following programs and funds shall prioritize
27 applicants from counties that (i) were designated, in whole or in part, by the United States
28 Department of Housing and Urban Development as the most impacted and distressed counties
29 from Hurricane Helene and (ii) have a population of 300,000 or fewer based upon the 2023
30 Certified County Population Estimates from the State Demographer:

- 31 (1) State and local projects funded from the Parks and Recreation Trust Fund,
32 established under G.S. 143B-135.56.
- 33 (2) Grants awarded by the State Water Infrastructure Authority from the State
34 Drinking Water and Wastewater Reserves.

35 **SECTION 3.6.(b)** Applicants. – Each agency overseeing the administration of funds
36 from the programs and funds listed in subsection (a) of this section shall require applicants
37 seeking prioritization to attest that (i) the application for funds is for repair, replacement, or
38 construction of equipment, buildings, or natural features due to damage or effects from Hurricane
39 Helene, including capacity-building, and (ii) the amount of funds requested is the amount of
40 unmet need above the amount paid by insurance and available federal aid.

41

42 **PART IV. REVERSION, LIMITATIONS ON USE OF FUNDS, AUDIT, AND**

43 **REPORTING OF FUNDS**

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

47 **SECTION 4.1.(b)** Receipt of Allocations. – A recipient of State funds under this act
48 shall use best efforts and take all reasonable steps to obtain alternative funds that cover the losses
49 or needs for which the State funds are provided, including funds from insurance policies in effect
50 and available federal aid. State funds paid under this act are declared to be excess over funds
51 received by a recipient from the settlement of a claim for loss or damage covered under the

1 recipient's applicable insurance policy in effect or federal aid. Where a recipient is an institution
2 of higher education or a non-State entity, the requirement regarding alternative funds and the
3 calculation of alternative funds received under this subsection includes seeking private donations
4 to help cover the losses or needs for which State funds are provided. An agency awarding State
5 funds for disaster relief shall include a notice to the recipient of the requirements of this
6 subsection.

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

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

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

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

25 **SECTION 4.1.(g)** Continuation of Allocation Reporting Requirements. – OSBM
26 shall add the appropriations and allocations provided for in this act to the reporting requirements
27 set forth in Section 4.1(g) of S.L. 2025-2.

28 **SECTION 4.1.(h)** Continuation of State Auditor Oversight. – The Office of the
29 Governor of North Carolina shall continue the reporting requirements set forth in Section 4.2 of
30 S.L. 2025-2. The State Auditor shall include all funds appropriated and allocated under this act
31 in their report to the Joint Legislative Commission on Governmental Operations and include the
32 expenditure of these funds in the public dashboard as set forth in Sections 4.2(c) and (d) of S.L.
33 2025-2.

34 **PART V. MISCELLANEOUS PROVISIONS**

35 **SECTION 5.1.** Effect of Headings. – The headings to the parts and sections of this
36 act are a convenience to the reader and are for reference only. The headings do not expand, limit,
37 or define the text of this act, except for effective dates referring to a part or section.

38 **SECTION 5.2.** Severability. – If any section or provision of this act is declared
39 unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or
40 any part other than the part so declared to be unconstitutional or invalid.

41 **SECTION 5.3.** Effective Date. – Except as otherwise provided, this act is effective
42 when it becomes law.
43