



SENATE BILL 605: Highway Storm Recovery Act.

2019-2020 General Assembly

Committee:		Date:	January 27, 2020
Introduced by:		Prepared by:	Luke Gillenwater
Analysis of:	S.L. 2019-15		Staff Attorney

OVERVIEW: *S.L. 2019-15 transfers funds to the Department of Transportation to be used as a loan for cash flow needs as a result of disaster recovery.*

This act became effective May 16, 2019.

BILL ANALYSIS: S.L. 2019-15 does the following:

Section 1: Creates the Disaster Relief Cash Flow Loan Fund (Fund) as a special fund in the Department of Transportation.

Section 2: Directs the State Controller to transfer the sum of \$90,000,000 in nonrecurring funds from the unreserved fund balance in the General Fund to the Fund.

Section 3: S.L. 2018-136 directed the Department of Transportation to transfer the sum of \$65,000,000 to the Hurricane Florence Disaster Recovery Reserve. Section 3 of S.L. 2019-15 directs the Office of State Budget and Management to transfer to the Fund any amount of the \$65,000,000 remaining in the Hurricane Florence Disaster Recovery Reserve.

Section 4: Section 34.3(b) of S.L. 2018-5 directed the Department of Transportation to use up to \$30,000,000 in nonrecurring funds from the Highway Fund for costs related to the non-transportation portion of a time-critical economic development project. Further, Section 34.3(d) of S.L. 2018-5 required repayment of these funds from the General Fund over a period of 4 years. Section 4 of S.L. 2019-15 (i) appropriates a sum in nonrecurring funds for the 2018-2019 fiscal year equal to the amount used by the Department under Section 34.3(b) of S.L. 2018-5 from the unreserved fund balance in the General Fund to the Fund and (ii) repeals the 4-year repayment plan in Section 34.3(d) of S.L. 2018-5.

Section 5: Requires the Department of Transportation to only use funds in the Fund to meet the cash flow needs of the Department resulting from expenditures related to disaster relief. Additionally, Section 5 directs the Department to deposit any funds it receives from the federal government as reimbursement for expenditures related to disaster relief in the Fund for use in accordance with this section. Lastly, Section 5 caps the amount of funds that may be used from the Fund at \$300,000,000.

Section 6: Requires the Department of Transportation to ensure it does not expend funds under this act in a way that adversely affects its eligibility for federal funds made available as a result of a disaster.

Section 7: Requires the Department of Transportation, upon the earlier of reaching the \$300,000,000 limitation in Section 5 of the act or June 30, 2021, to (i) transfer \$90,000,000 to the Office of the State Controller for deposit in the Savings Reserve and (ii) close the Fund.

Kory Goldsmith
Director



S 6 0 5 - S M M L - 1 5 S L - V - 4

Legislative Drafting
919-733-6660

Senate Bill 605

Page 2

Section 8: Requires the Department of Transportation, beginning October 1, 2019, and ending July 1, 2021, to submit a quarterly report on the use of funds under this act to (i) the Senate Appropriations/Base Budget Committee, (ii) the House of Representatives Committee on Appropriations, (iii) the Senate Appropriations Committee on Department of Transportation, (iv) the House of Representatives Appropriations Committee on Transportation, and (v) the Fiscal Research Division.

EFFECTIVE DATE: This act became effective May 16, 2019.