



2023-2024 General Assembly

SENATE BILL 743: The Disaster Recovery Act of 2024 - Part II, Sec. 4C.7: DEQ Water Infrastructure Emergency Bridge Loan Program

Committee:		Date:	December 30, 2024
Introduced by:		Prepared by:	Aaron McGlothlin
Analysis of:	Sec. 4C.7 of S.L. 2024-53		Staff Attorney

OVERVIEW: Section 4C.7 of S.L. 2024-53 allocates \$100 million in nonrecurring funds from the Helene Fund to the Division of Water Infrastructure (Division) of the Department of Environmental Quality (DEQ) to administer a program to make interest-free bridge loans to local government units in areas affected by Hurricane Helene, for the purpose of supplying these local government units with short-term financial liquidity necessary to immediately conduct emergency repairs to drinking water and wastewater infrastructure, pending receipt of federal disaster relief.

This section became effective October 25, 2024. This section was later amended by Section 1D.10 of S.L. 2024-57 (Disaster Relief-3/Budget/Various Law Changes).

BILL ANALYSIS:

Section 4C.7 of S.L. 2024-53 allocates \$100 million in nonrecurring funds from the Helene Fund to the Division of Water Infrastructure (Division) of the Department of Environmental Quality (DEQ) to administer a program to make interest-free bridge loans to local government units, as defined in G.S. 159G-20, in areas affected by Hurricane Helene, for the purpose of supplying these local government units with short-term financial liquidity necessary to immediately conduct emergency repairs to drinking water and wastewater infrastructure, pending receipt of federal disaster relief.

Loans awarded from this program can only be used by local government units for temporary financial liquidity as necessary to immediately conduct emergency repairs until receipt of federal disaster relief, and for any other purpose specifically provided by an act of the General Assembly. Furthermore, the amount of a loan awarded from this program cannot exceed the amount necessary to restore a public water or wastewater system to operational capacity, and is available only to the extent that other funding sources for emergency repairs are not reasonably available to the local government unit.

Loans awarded from this program mature upon the earlier of (i) the receipt of federal disaster relief by the local government unit, or (ii) June 30, 2030.

The Division must submit a report on the administration of this program to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division no later than April 25, 2025, and annually thereafter until all allocated funds have been repaid or otherwise accounted for by the Division.

DEQ must adopt emergency rules to implement the provisions of this section. Temporary and permanent rules adopted by DEQ pursuant to this section are exempt from review by the Rules Review Commission.

Kara McCraw
Director



Legislative Analysis
Division
919-733-2578

Senate Bill 743

Page 2

EFFECTIVE DATE: This section became effective October 25, 2024.