



2023-2024 General Assembly

SENATE BILL 743: The Disaster Recovery Act of 2024 - Part II, Sec. 4E.5: Local Government Commission to Provide Cashflow Loans to Local Governments for Disaster Response Activities

Committee:	Date:	January 7, 2025
Introduced by:	Prepared by:	Karyl Smith
Analysis of:	Sec. 4E.5 of S.L. 2024-53	Staff Attorney

OVERVIEW: Section 4E.5 of S.L. 2024-53, as amended by Section 1F.1 of S.L. 2024-57, requires the Department of the State Treasurer (Department) to use \$100 million of the funds appropriated from the Helene Fund to provide cashflow loans to local governments in the areas affected by Hurricane Helene. The following apply to loans under Section 4E.5 of S.L. 2024-53, as amended by Section 1F.1 of S.L. 2024-57:

- The Department is authorized to administer the loan program and to develop an application process for the loans.
- Notwithstanding any other provision of law, in applying for a cashflow loan under this section, local governments are not required to get approval from the Local Government Commission (Commission).
- Loans must be used for disaster response activities only.
- Loan recipients will not be assessed any interest on the loans.
- Repayment of each loan made under this section begins one year after that loan's initiation.
- Loans must be repaid within five years of initiation or by June 30, 2030, whichever is earlier.

The Department can use funds appropriated for cashflow loans for administrative expenses, provided that total administrative expenses do not exceed 2% of loan initiations. The Department is exempt from rulemaking requirements in administering this section.

Prior to amendment, Section 4E.5 of S.L. 2024-53 required the Commission to administer the cashflow loan program.

This section became effective October 25, 2024.

Kara McCraw
Director



Legislative Analysis
Division
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