



2025-2026 General Assembly

HOUSE BILL 1012: Disaster Recovery Act of 2025 - Part II, Part III: Additional Budgetary Funding Availability and Regulation

Analysis of: S.L. 2025-26, Part III

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Prepared by: Legislative Analysis
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Part III of S.L. 2025-26 (House Bill 1012) makes additional budgetary funding availability and regulation by:

- Further extending the state of emergency issued by the Governor in Executive Order No. 315, as extended, to October 1, 2025.
- Appropriating approximately \$686 million in federal disaster funding to the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund for allocation in accordance with eligibility criteria for the purposes of wastewater treatment works, drinking water facilities, and decentralized wastewater treatment systems in the State impacted by Hurricane Helene.
- Extending the terms of water infrastructure loans, enacted by Section 4C.7(j) of S.L. 2024-53, as amended by Section 1D.10 of S.L. 2024-57, from June 30, 2030 to June 30, 2035.
- Clarifying the Governor may only reallocate contingency and emergency funds on a nonrecurring basis.
- Authorizing demolition of Black Mountain Home for Children structures if approved by the Chief Financial Officer, Chancellor, and Board of Trustees of North Carolina State University.
- Specifying that for the 2025-2026 fiscal year, program administrators for State and local projects funded from the Parks and Recreation Trust Fund and grants awarded by the State Water Infrastructure Authority from the State Drinking Water and Wastewater Reserves, shall prioritize applicants from counties that (i) were designated, in whole or in part, by the United States Department of Housing and Urban Development as the most impacted and distressed counties from Hurricane Helene and (ii) have a population of 300,000 or fewer based upon the 2023 Certified County Population Estimates from the State Demographer.

This part became effective June 27, 2025.

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