



2025-2026 General Assembly

HOUSE BILL 1012: Disaster Recovery Act of 2025 - Part II, Part IV: Reversion, Limitations on Use of Funds, Audit, and Reporting of Funds

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

Date: August 22, 2025

Prepared by: Legislative Analysis
Division Staff

Part IV of S.L. 2025-26 (House Bill 1012) places several restrictions and requirements on the use of disaster relief funds, including that:

- Funds appropriated by the act must be reverted to the Savings Reserve if not spent or encumbered by June 30, 2030.
- A recipient of State funds under the act must take all reasonable steps to obtain alternative funds, including insurance and federal aid, to cover the losses or needs for which the State funds are provided, and must return the State funds if the recipient does obtain those alternative funds.
- The Governor may not use these funds to make budget adjustments, and must ensure that these funds are allocated in a manner that does not adversely impact any person or entity's eligibility for federal aid.
- The Office of State Budget and Management, the Governor, and the State Auditor must report on the appropriations and allocations provided for in this act, in addition to their existing disaster relief funding reporting requirements.

This section became effective June 27, 2025.

Kara McCraw
Director



Legislative Analysis
Division
919-733-2578