



HOUSE BILL 47: Disaster Recovery Act of 2025 - Part I.

2025-2026 General Assembly

Committee:	Senate Appropriations/Base Budget	Date:	March 4, 2025
Introduced by:	Reps. Greene, Bell	Prepared by:	Jared Simmons
Analysis of:	PCS to Fourth Edition H47-CSNBa-4		Staff Attorney

OVERVIEW: House Bill 47 would provide additional appropriations for recovery from Hurricane Helene, extend the state of emergency, and extend certain disaster recovery regulatory and procurement flexibility provisions.

BILL ANALYSIS: The bill includes the following:

PART I – TITLE AND SCOPE OF ACT

Section 1.1 would reflect the title as "The Disaster Recovery Act of 2025 – Part I."

Section 1.2 would state that the appropriations and allocations made in this act are for maximum amounts necessary to implement this act.

Section 1.3 would note that this act, unless otherwise provided, applies to the North Carolina counties in the affected area, as defined in Section 1.4.

Section 1.4 would provide the following definitions that apply to this act: "Affected area," "CDBG-DR," "FEMA," "Helene Fund," "NCEM," "NCORR," "OSBM," and "SERDRF."

PART II – HURRICANE HELENE DISASTER RECOVERY APPROPRIATIONS AND PROGRAMS

SUBPART II-A – DISASTER RECOVERY APPROPRIATION AND TRANSFER

Section 2A.1 would transfer \$307,991,704 from the SERDRF to the Helene Fund.

Section 2A.2 would appropriate \$532,991,704 from the Helene Fund in nonrecurring funds as follows:

- \$140 million to the Department of Commerce, Division of Community Revitalization for the Home Reconstruction and Repair Program (Program). The Program must be CDBG-DR compliant and consistent with HUD's Universal Notice to ensure maximum reimbursement from federal funds and require an initial report on how the Program will be set up.
- \$192,491,704 to the Department of Agriculture and Consumer Services for the Hurricane Helene Agricultural Crop Loss Program and debris removal and other Hurricane Helene recovery as determined by the Department of Agriculture and Consumer Services in accordance with Subparts II-D and II-E of this act.
- \$100 million to the Department of Public Safety, Division of Emergency Management for the Private Road and Bridge Repair and Replacement Program in accordance with Subpart II-C of this act.

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- \$55 million for the Small Business Infrastructure Grant Program in accordance with Subpart II-F of this act.
- \$20 million to OSBM to distribute to State agencies and local governments for debris removal unmet needs. NCEM shall assist OSBM in coordinating with State agencies and local shareholders.
- \$10 million to the Office of the State Fire Marshal to disburse grants to small and volunteer fire departments in counties in the affected area that qualify for Individual and Public Assistance Categories C through G for various purposes related to Hurricane Helene.
- \$10 million to NCEM to disburse grants to nonprofit organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code for actual and ongoing repair and reconstruction projects.
- \$3 million to the Department of Commerce to the nonprofit corporation with which the Department contracts pursuant to G.S. 143B 431.01(b) for (i) targeted media campaigns to encourage both in State and out of state tourists to return to areas impacted by Hurricane Helene in 2025 and (ii) grants to local tourism offices in the affected area for the activities of those offices and for development of a coordinated market strategy. The nonprofit corporation shall coordinate with the Department of Transportation to promote areas and roads that are open and accessible for tourism and travel.
- \$4.5 million to the Department of Public Instruction for the School Extension Learning Recovery Program in accordance with Subpart II-G of this act.

Section 2A.3 would take effect retroactively to October 25, 2024, and provide households eligible to receive rental assistance under Section 4B.7 of S.L. 2024-53 up to two payments, as determined by the county departments of social services. Each payment will be in an amount up to the U.S. Department of Housing and Urban Development's (HUD) local area Fair Market Rents (FMRs) measure for a two-bedroom unit.

Section 2A.4 would find that the Hurricane Helene Disaster Supplemental Nutrition Assistance Program has unspent funds and has ended, and would allow for the Department of Commerce to spend an additional two million dollars (\$2,000,000) for targeted media campaigns in the affected area.

SUBPART II-B – CLOSE OUT OPERATIONS PROVIDE EMERGENCY RELIEF

Section 2B.1 would repeal the Office of Recovery and Resiliency's (NCORR) statutory authority effective October 1, 2026.

Section 2B.2 would transfer \$104,300,000 from the Savings Reserve, \$104,300,000 from the State Emergency Response and Disaster Relief Fund, and \$8,408,296 from the Hurricane Florence Disaster Recovery Fund to the OSBM Disaster Relief Reserve. Of those funds, \$112,708,296 would be appropriated to NCORR for completion of the homeowner recovery program for Hurricanes Matthew and Florence, including the intention to appropriate future funds to the program for unmet needs. Funds would revert on October 1, 2026.

Section 2B.3 would set certain benchmarks for NCORR to meet in regards to the issuance of notices to proceed and the total amount of unawarded projects by July 1, 2025, excluding withdrawn or ineligible projects. NCORR would report on these benchmarks to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

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Section 2B.4 would mandate a monthly reporting requirement beginning August 1, 2025 to continue to oversee NCORR homeowner recovery programs for Hurricanes Matthew and Florence, until NCORR is dissolved.

Section 2B.5 would change the State Auditor's quarterly reporting requirement in Section 1F.2 of S.L. 2024-57 to monthly.

SUBPART II-C – PRIVATE ROAD AND BRIDGE REPAIR AND REPLACEMENT PROGRAM

Section 2C.1 would establish the Private Road and Bridge Repair and Replacement Program (Program) within the Department of Public Safety, Division of Emergency Management (NCEM), to disburse grants for the repair and replacement of private roads and bridges damaged or destroyed by Hurricane Helene. NCEM would be directed to consult with the Department of Transportation to administer the Program and would develop criteria to prioritize the repair and replacement of private roads and bridges consistent with this section. NCEM would enter into cost-share agreements with HOAs if applicable. The State would not take ownership of or responsibility for any project serviced by the Program. NCEM would be directed to take all reasonable steps to obtain federal assistance or alternative funds prior to obligating State funds for the Program if such federal assistance or alternative funds are available and would be directed not duplicate repair efforts. Funds appropriated to NCEM for this program may also be used to provide technical support and assistance for individual and local governments to comply with the no-rise certificate requirements pursuant to FEMA under the National Flood Insurance Program. NCEM would report regularly on the Program.

SUBPART II-D – AGRICULTURAL DISASTER CROP LOSS PROGRAM

Section 2D.1 would state the intent of the North Carolina General Assembly to appropriate more funds for the Agricultural Disaster Crop Loss Program in the future.

Section 2D.2 would create within the Department of Agriculture and Consumer Services (DACS) the Agricultural Crop Loss Program (Crop Loss Program) to provide financial assistance to farmers affected by Hurricane Helene. This Crop Loss Program would be available for any person that experience a verifiable loss of an agricultural or aquaculture commodity or farm infrastructure for a farm located in an affected area and the commodity was planted but not harvested on or before a respective agricultural disaster in the year 2024 that resulted in the commodity's or farm infrastructure's verified loss.

SUBPART II-E – DEBRIS REMOVAL IN THE AFFECTED AND OTHER HURRICANE HELENE DISASTER RECOVERY USE OF FUNDS

Section 2E.1 would authorize DACS to use Crop Loss Program funds for debris removal consistent with this section in the affected area. Additionally, the Commissioner of Agriculture may use those funds for any purpose related to Hurricane Helene recovery in the affected area.

SUBPART II-F – SMALL BUSINESS INFRASTRUCTURE GRANT PROGRAM

Section 2F.1 would establish the Small Business Infrastructure Grant Program, to be administered by the Department of Commerce, to assist small businesses by providing grants to local governments to expedite infrastructure repairs impacting the operation and patronage of small businesses in the affected area. Grants would be limited to no more than 10% of the total amount appropriated per county.

SUBPART II-G – SCHOOL EXTENSION LEARNING RECOVERY PROGRAM

Section 2G.1 would create a summer school program for grades 4 through 8 in the school systems that have missed a significant amount of instructional time due to the hurricane. The summer school programs can focus on reading, math, or both.

PART III – EXTENSION OF STATE OF EMERGENCY

Section 3.1 would further extend the statewide declaration of emergency issued by the Governor in Executive Order No. 315 until June 30, 2025. This section also provides that the extension of Executive Order 315 has no effect on Executive Order 322, issued by the Governor on October 16, 2024, and concerning unemployment insurance benefits.

PART IV – REVERSION, LIMITATIONS ON USE OF FUNDS, AUDIT, AND REPORTING OF FUNDS

Section 4.1(a) would state that, except as otherwise provided, funds appropriated under Part II of this act shall revert to the Savings Reserve if not expended or encumbered by June 30, 2030.

Section 4.1(b) would state that recipients of State funds under this act shall use best efforts and take all reasonable steps to obtain alternative funds to cover losses or needs for which State funds are provided.

Section 4.1(c) would state that recipients of alternative funds pursuant to Section 4.1(b) shall remit the funds to the State agency from which the State funds were received not exceeding the amount of State funds provided to the recipient.

Section 4.1(d) would require any contract or other instrument entered into for the receipt of funds to include the requirements set out in Section 4.1(b) and Section 4.1(c).

Section 4.1(e) would prohibit the Governor from using the funds described in this act to make budget adjustments under G.S. 143C-6-4 or reallocations under G.S. 166A-19.40(c).

Section 4.1(f) would direct the Governor to ensure that funds allocated in this act are expended in such a manner that does not adversely affect any person's or entity's eligibility for federal funds that are made available, or are anticipated to be made available, as a result of natural disasters and to avoid using State funds to cover costs that will, or likely will, be covered by federal funds.

Section 4.1(g) would require OSBM to report to the chairs of the House of Representatives and Senate Appropriations Committees and to the Fiscal Research Division on the implementation of this act on a quarterly basis until the end of the quarter in which all funds are expended.

Section 4.1(h) would provide that in any conflict between any prior reporting requirements and the reporting requirements in Section 4.1(g) of this act, Section 4.1(g) of this act would prevail.

Section 4.2 would require the Office of the Governor to report to the Office of the State Auditor on all disaster relief funds allocated to Hurricane Helene relief. The State Auditor would regularly receive weekly reports and, if the Governor's reports were not in compliance, then it would trigger a hearing of the Joint Legislative Commission on Governmental Operations. The State Auditor shall maintain a public dashboard that accounts for all funds spent and appropriated for Hurricane Helene relief. Additionally, the State Auditor shall conduct performance and financial audits as necessary.

PART V – DISASTER RECOVERY REGULATORY AND PROCUREMENT FLEXIBILITY

Section 5.1 would extend the expiration dates of various provisions from S.L. 2024-51 (Helene I), S.L. 2024-53 (Helene II), and S.L. 2024-57 (Helene III) from March through June 1, 2025 to June 30, 2025.

Section 5.2 would require, in certain circumstances, roadway constructors to coordinate with broadband providers when repairing, rebuilding, or reconstructing roads on the installation of any broadband cables or equipment and would provide that the constructor should cooperate with the broadband provider to transition any temporary installations into permanent broadband installations when certain conditions are met.

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Section 5.3 would (i) direct the Dept. of Adult Correction to work with Dept. of Transportation to allow inmates to clean up debris from Hurricane Helene found on public roads and roadsides in the affected areas, and (ii) modify the provisions guiding the Statewide Misdemeanant Confinement Program litter cleanup pilot program to allow for the cleanup of not only litter by inmates participating in the program, but also debris from disasters.

Section 5.4 would allow VOADs to purchase surplus heavy construction equipment and motor vehicles from the State through the Department of Administration (DOA) for the purpose of aiding in disaster recovery. This section would also provide that the Department of Administration shall loan surplus heavy construction equipment to units of local governments and VOADs for a period of five years. At the end of the five-year period, the ownership of the loaned surplus property would transfer to the unit of local government or VOAD.

Section 5.5 would require the Department of Transportation to contract with a third-party administrator to seek reimbursement from FEMA and the Federal Highway Administration (FHWA) for qualifying disaster expenditures and requires the Department to submit monthly reimbursement reports to the Joint Legislative Transportation Oversight Committee.

Section 5.6 would amend the funeral establishment exemption waiver for a funeral establishment damaged by a fire, weather event, or other natural disaster.

Section 5.7 would allow the reconstruction or repair of a nonconforming residential structure in the affected area to be allowed if several criteria are met, including compliance with the local government's current development regulations.

Section 5.8 would grant specific county school units an additional 10 days they can deem complete for days missed in December 2024 through February 2025 due to weather. Also directs local school administrative units to pay employees for days deemed complete and allows DPI to use money remaining from S.L. 2024-51 to provide compensation for school nutrition employees for days deemed complete.

Section 5.9 would extend the temporary flexibility for quality improvement plans until one year after the issuance of the state of emergency issued by the Governor under Executive Order No. 315.

Section 5.10 would allow utilities the necessary time to identify and resolve potential claims by private landowners in the affected area by prohibiting filings for inverse condemnation until one year after the expiration of the state of emergency and extend the statute of limitations for those claims for the same amount of time.

EFFECTIVE DATE: Except as otherwise provided, this act would be effective when it becomes law.

Bryan Hedrick, Legislative Drafting Division, substantially contributed to this summary.