



2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec 12.4: North Carolina Utilities Commission Water/Wastewater Revolving Loan Program.

Analysis of: S.L. 2026-41, Sec 12.4

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Prepared by: Legislative Analysis
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Sec 12.4 of S.L. 2026-41 (Senate Bill 257), as amended by Section 5.12 of S.L. 2026-61 (House Bill 268), establishes the North Carolina Utilities Commission (NCUC) Emergency Reserve account within the Water Infrastructure Fund. The Department of Environmental Quality (DEQ) is directed to administer loans for private systems projects for which the NCUC has approved an emergency operator.

The DEQ and NCUC are authorized to jointly develop rules and criteria for the loans that at least include:

- Provisions limiting funds to private system projects for which an emergency operator has been appointed.
- Loan applications must include detailed estimates of the total costs to address the emergency conditions that must be reviewed and approved by the agencies before fund disbursement.
- Clawback provisions for all loan agreements.
- Provisions permitting application amendment for additional funding if unforeseen conditions arise that necessitate additional funding.

Loans and grants under this program cannot exceed the emergency operator's original estimate unless approved by the agencies, and any approved increase cannot exceed 25% of the original estimate. The section caps interest rates for loans at 3%.

This section of the act became effective July 1, 2026, and applies to loans made on or after that date.

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