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HOUSE BILL 1012
Second Edition Engrossed 5/22/25

Short Title: Disaster Recovery Act of 2025 - Part II. (Public)

Sponsors: Committee on Appropriations.
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Calendar 5/22/2025

May 21, 2025

A BILL TO BE ENTITLED
AN ACT TO PROVIDE ADDITIONAL APPROPRIATIONS AND EXTEND REGULATORY
FLEXIBILITY FOR COMMUNITIES AND CITIZENS IMPACTED BY HURRICANE
HELENE AND WILDFIRES, AS RECOMMENDED BY THE HOUSE COMMITTEE ON
APPROPRIATIONS.

The General Assembly of North Carolina enacts:

PART I. TITLE AND SCOPE OF ACT

SECTION 1.1. Title. – This act shall be known as "The Disaster Recovery Act of 2025 – Part II."

SECTION 1.2. Maximum Amounts; Effectuate Savings. – The appropriations and allocations made in this act are for maximum amounts necessary to implement this act. Savings shall be effected where the total amounts appropriated or allocated are not required to implement this act.

SECTION 1.3. Scope. – Unless otherwise provided, Part II of this act applies to the North Carolina counties in the affected area, as defined in Section 1.4 of this act.

SECTION 1.4. Definitions. – Unless otherwise provided, the following definitions apply in this act:

- (1) Affected area. – The counties designated before, on, or after the effective date of this act under a major disaster declaration by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Helene.
- (2) FEMA. – The Federal Emergency Management Agency.
- (3) Helene Fund. – The Hurricane Helene Disaster Recovery Fund established in Section 4.1 of S.L. 2024-51.
- (4) HUD. – The United States Department of Housing and Urban Development.
- (5) NCEM. – The Division of Emergency Management of the Department of Public Safety.
- (6) NCSBE. – The North Carolina State Board of Elections.
- (7) OSBM. – The Office of State Budget and Management.

SECTION 1.5. Findings for Western North Carolina Wildfires. – The North Carolina General Assembly finds that several wildfires have burned thousands of acres in Western North Carolina in 2025, and efforts were hampered to extinguish those wildfires due to Hurricane Helene. Dry conditions in the region and storm debris left from Hurricane Helene have contributed to the many wildfires that have burned. On March 26, 2025, Governor Josh Stein declared a state of emergency due to the current and anticipated impacts from those wildfires in



all of Western North Carolina, as well as the tribal lands in the State of North Carolina held by the Eastern Band of Cherokee Indians.

PART II. HURRICANE HELENE DISASTER RECOVERY APPROPRIATIONS AND PROGRAMS

SUBPART II-A. DISASTER RECOVERY APPROPRIATIONS AND TRANSFERS

SECTION 2A.1.(a) Return of Funds. – NCInnovation shall transfer back to the State, after consultation with, and in conformity with direction received from, the State Controller, the sum of five hundred million dollars (\$500,000,000).

SECTION 2A.1.(b) Helene Fund. – The State Controller shall facilitate the return of transferred funds from NCInnovation pursuant to subsection (a) of this section and shall deposit the funds into the Hurricane Helene Disaster Recovery Fund established in Section 4.1 of S.L. 2024-51. The transfer and deposit of funds pursuant to this section do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution. The funds shall remain unappropriated unless the General Assembly appropriates the funds in this or a subsequent act. In accordance with G.S. 147-69.1(d), funds in the Reserves shall be invested by the Department of the State Treasurer, with earnings and interest therefrom being transferred to and deposited in the General Fund.

SECTION 2A.1.(c) Repeal. – Upon the return of the transferred funds to the State pursuant to subsection (a) of this section, Article 76A of Chapter 143 of the General Statutes is repealed. The State Controller shall notify the Revisor of Statutes when the transfer has been completed.

SECTION 2A.1.(d) Effective Date; Contingency Repeal. – This section is effective when it becomes law. If Senate Bill 257, 2025 Regular Session, becomes law and contains a provision repealing Article 76A of Chapter 143 of the General Statutes, this section is repealed.

SECTION 2A.2. Additional Transfer of Unused and Underutilized Funds. – The State Controller shall transfer to the Helene Fund the sum of sixty-nine million three hundred fifty thousand dollars (\$69,350,000) in the 2025-2026 fiscal year and four million six hundred thousand dollars (\$4,600,000) in the 2026-2027 fiscal year appropriated or allocated to the agencies as set forth in this section:

- (1) Forty-five million dollars (\$45,000,000) for the Department of Environmental Quality:
 - a. Twenty-five million dollars (\$25,000,000) previously allocated for the Water Infrastructure Emergency Bridge Loan Program in accordance with Sections 2.1(a) and 4C.7 of S.L. 2024-53.
 - b. Twenty million dollars (\$20,000,000) previously allocated for the Emergency Infrastructure Bridge Loan Program for Commercial Underground Storage Tanks in accordance with Sections 2.1(a) and 4C.8 of S.L. 2024-53.
- (2) Twelve million five hundred thousand dollars (\$12,500,000) for the Department of Public Instruction previously allocated for lost compensation from school closures in accordance with Sections 6.1(a) and 8.1(c) of S.L. 2024-51.
- (3) Five million dollars (\$5,000,000) for The University of North Carolina System Office for the repair and renovation of facilities in accordance with Section 2.1(a) of S.L. 2024-53 and the Committee Report described in Section 6.1 of that act.
- (4) Two million two hundred fifty thousand dollars (\$2,250,000) for the North Carolina State Board of Elections to conduct the 2024 General Election in the affected area in accordance with Sections 6.1(a) and 9.1(c) of S.L. 2024-51.

SECTION 2A.3.(a) There is appropriated from the Helene Fund the sum of four hundred sixty-four million seven hundred fifty thousand dollars (\$464,750,000) in nonrecurring funds for the 2025-2026 fiscal year as follows:

- (1) Fifty-five million dollars (\$55,000,000) to the Department of Agriculture and Consumer Services to be allocated as follows:
 - a. Twenty-five million dollars (\$25,000,000) for the Farm Infrastructure Disaster Recovery Program in accordance with Subpart II-E of this act.
 - b. Fifteen million dollars (\$15,000,000) for the Streamflow Rehabilitation Assistance Program to be used in accordance with Article 6 of Chapter 139 of the General Statutes in the affected area.
 - c. Fifteen million dollars (\$15,000,000) for the North Carolina Forest Service. Of these funds, ten million dollars (\$10,000,000) shall be used for contract services for firefighters, grading, and other fire response services for wildfires in the affected area, and five million dollars (\$5,000,000) for the purchase of equipment to respond and fight wildfires in the affected area.
- (2) Sixty million dollars (\$60,000,000) to the Department of Commerce for the Helene Business Recovery Grant Program in accordance with Subpart II-B of this act.
- (3) Ten million dollars (\$10,000,000) to the Department of Environmental Quality for the Dam Safety Grant Fund to repair, modify, or remove dams damaged by Hurricane Helene in the affected area, consistent with G.S. 143-215.32B, as enacted by Subpart II-G of this act.
- (4) Three million dollars (\$3,000,000) to the Department of Information Technology to develop the disaster recovery constituent portal in accordance with Subpart II-H of this act.
- (5) Twelve million five hundred thousand dollars (\$12,500,000) to the Department of Natural and Cultural Resources as follows:
 - a. Seven million five hundred thousand dollars (\$7,500,000) for repair, restoration, and cleanup of amenities, facilities, and other features of the State Parks System damaged by Hurricane Helene that are not reimbursable through federal aid. The Department shall prioritize using these funds to increase accessibility and reopen State parks in the affected area.
 - b. Five million dollars (\$5,000,000) to disburse grants to repair and renovate local parks, local libraries, and local museums damaged by Hurricane Helene in the affected area. Each grant awarded under this subdivision shall be no more than two hundred fifty thousand dollars (\$250,000).
- (6) Ten million dollars (\$10,000,000) to the Department of Transportation, Rail Division, for grants as follows:
 - a. Nine million dollars (\$9,000,000) to Blue Ridge Southern Railroad, LLC, for recovery and repair of infrastructure damaged by Hurricane Helene. The remaining funds from this allocation shall revert to the Helene Fund on June 30, 2027.
 - b. One million dollars (\$1,000,000) to Great Smoky Mountains Railroad, LLC, for recovery and repair of infrastructure damaged by Hurricane Helene. The remaining funds from this allocation shall revert to the Helene Fund on June 30, 2027.

- (7) Thirty-three million dollars (\$33,000,000) to the Department of Public Instruction as follows:
- a. Twenty-five million dollars (\$25,000,000) to disburse as competitive grants to public school units for total rebuilds of destroyed public school infrastructure and buildings damaged by Hurricane Helene in the affected area. To qualify for these funds, public school units must have sought insurance coverage and have infrastructure damaged that is not reimbursable under federal aid prior to application, if applicable. The Department shall ensure that funds do not duplicate funds received from insurance for the same purposes. Applicants for these funds shall have at least thirty million dollars (\$30,000,000) in total reconstruction damages and costs.
 - b. Eight million dollars (\$8,000,000) to disburse as a competitive grant program to public school units to repair public school infrastructure or buildings damaged by Hurricane Helene in the affected area. To qualify for these funds, public school units must have been denied insurance coverage and federal aid for the infrastructure damaged prior to receipt of the funds. Each grant awarded under this subdivision shall be no more than five hundred thousand dollars (\$500,000).
- (8) One hundred sixty-five million dollars (\$165,000,000) to NCEM as follows:
- a. Seventy million dollars (\$70,000,000) to provide the State match for federal disaster assistance programs for State agencies and units of local governments.
 - b. Thirty million dollars (\$30,000,000) for the Private Road and Bridge Repair Program (Program), established in Subpart II-C of S.L. 2025-2. Of those funds, ten million dollars (\$10,000,000) shall be used solely for reimbursement to persons with qualifying projects that have been completed. Applications for reimbursement shall be accepted by NCEM for a period of six months from the date NCEM opens an application process to persons in the affected area. If a qualifying private road or bridge is owned by a homeowners association (HOA), then reimbursement shall not exceed fifty percent (50%) of costs. If funds remain after the application period closes for reimbursement, the remaining funds shall be repurposed within the Program for new construction of eligible projects. The reporting requirements under Section 2C.1(e) of S.L. 2025-2 apply to these funds.
 - c. Twenty-five million dollars (\$25,000,000) for the Aerial Asset Accessibility Grant Program in accordance with Subpart II-F of this act.
 - d. Twenty million dollars (\$20,000,000) for the Disaster Relief and Mitigation Fund for the Hurricane Helene Flood Mitigation Grant Program in accordance with Subpart II-D of this act.
 - e. Twenty million dollars (\$20,000,000) to disburse grants to any member organization of Volunteer Organizations Active in Disaster (VOADs) actively involved in actual and ongoing repair and reconstruction projects. NCEM shall submit a report by October 1, 2025, and every six months thereafter until all funds are expended, to the Joint Legislative Emergency Management Oversight Committee and Fiscal Research Division detailing the use of the funds allocated to VOADs under this subdivision and Section 2A.2(7) of S.L. 2025-2.

- (9) Ten million dollars (\$10,000,000) to the Housing Finance Agency for the repair and preservation of existing rental units in counties in the affected area with a population of 300,000 or fewer based on the 2023 Certified County Population Estimates from the State Demographer. No more than twenty percent (20%) of these funds shall be allocated to recipients located within one county, including the county itself.
- (10) Five million dollars (\$5,000,000) to the North Carolina Community College System for funding for students to pay for tuition, fees, and emergency expenses that impact a student's ability to remain enrolled.
- (11) Seventy-six million two hundred fifty thousand dollars (\$76,250,000) to OSBM as follows:
- a. Fifty million dollars (\$50,000,000) for the Hurricane Helene Local Government Capital Grant Program in accordance with Subpart II-C of this act.
 - b. Fifteen million dollars (\$15,000,000) to distribute to State agencies and units of local government for debris and sedimentation removal unmet needs. NCEM shall assist OSBM in coordinating the debris removal with relevant State agencies and local stakeholders. OSBM shall prioritize using these funds to address identified gaps in debris cleanup not met by other federal and State programs.
 - c. Six million two hundred fifty thousand dollars (\$6,250,000) to disburse grants to repair damage from Hurricane Helene:
 1. One million five hundred thousand dollars (\$1,500,000) to Lees-McRae College.
 2. One million five hundred thousand dollars (\$1,500,000) to Montreat College.
 3. One million five hundred thousand dollars (\$1,500,000) to Warren Wilson College.
 4. Five hundred thousand dollars (\$500,000) to Johnson C. Smith University.
 5. Five hundred thousand dollars (\$500,000) to Mars Hill University.
 6. Two hundred fifty thousand dollars (\$250,000) to Brevard College.
 7. Two hundred fifty thousand dollars (\$250,000) to Gardner-Webb University.
 8. Two hundred fifty thousand dollars (\$250,000) to Lenoir-Rhyne University.
 - d. Five million dollars (\$5,000,000) to OSBM to the entities listed in this sub-subdivision in the following amounts to provide grants for technical assistance to units of local governments in the affected area with (i) federal financial aid applications, (ii) disaster recovery funding, (iii) support planning and permitting assistance, and (iv) building capacity for building and trade inspections. In providing this assistance, these entities shall prioritize grants to units of local government in counties with a population of less than 250,000 in the affected area. Any unit of local government that has received a separate allocation of federal aid through HUD for Hurricane Helene is not eligible for this funding.
 1. Two million dollars (\$2,000,000) to the North Carolina League of Municipalities.

2. Two million dollars (\$2,000,000) to the North Carolina Association of County Commissioners.
3. One million dollars (\$1,000,000) to the North Carolina Association of Regional Councils of Government.
- (12) Eighteen million dollars (\$18,000,000) to the Office of the State Fire Marshal to disburse grants of fifty thousand dollars (\$50,000) to fire departments and rescue squads to be used to repair or replace equipment and facilities damaged by Hurricane Helene and to enhance wildfire response and preparedness. Notwithstanding Section 1.3 of this act, the recipients of these grants must be located in the following counties: Alexander, Alleghany, Ashe, Avery, Buncombe, Burke, Caldwell, Clay, Cleveland, Cherokee, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Watauga, Wilkes, and Yancey. Grants disbursed pursuant to this subdivision shall not be used to fund full-time equivalent positions or staffing.
- (13) Six million dollars (\$6,000,000) to the Board of Governors of The University of North Carolina to disburse grants to the following schools to repair, replace, renovate, or construct buildings or infrastructure damaged by Hurricane Helene, and for resiliency and hazard mitigation on campus property to prepare for future disasters:
 - a. Two million dollars (\$2,000,000) to Western Carolina University.
 - b. Two million dollars (\$2,000,000) to Appalachian State University.
 - c. Two million dollars (\$2,000,000) to the University of North Carolina – Asheville.
- (14) One million dollars (\$1,000,000) to the North Carolina School for the Deaf in Morganton to repair, replace, renovate, or construct buildings or infrastructure damaged by Hurricane Helene.

SECTION 2A.3.(b) NCSBE Remaining Funds Flexibility for Affected Area. – Of the funds allocated to the North Carolina State Board of Elections under Sections 6.1(a) and 9.1(c) of S.L. 2024-51, not including the funds transferred under this subpart, NCSBE may use the remaining funds for conducting and staffing elections, including for equipment, technology, and other purposes necessary for operation, in the affected area.

SECTION 2A.4. Railroad Dividend Proceeds. – For each year of the 2025-2027 fiscal biennium, any State-owned railroad company that has trackage in more than two counties shall issue an annual cash dividend to the State. The dividend shall be deposited in the Highway Fund and transferred to the Helene Fund for use by the Department of Transportation, Rail Division, for the repair of rail infrastructure damaged by Hurricane Helene in accordance with Section 2A.3(a)(6) of this act. The amount of the dividend for each year of the biennium is twenty-five percent (25%) of the company's income from the prior year's trackage rights agreements. The dividend is due by February 15 of each year, and interest shall accrue at the annual rate of prime plus one percent (1%) if the payment is not paid by the due date. The Directors of any State-owned railroad company who vote for or assent to the dividend required under this section shall not be held liable under G.S. 55-8-33.

SUBPART II-B. HURRICANE HELENE ECONOMIC RECOVERY GRANT PROGRAM

SECTION 2B.1.(a) Program; Purpose. – There is established the Hurricane Helene Economic Recovery Grant Program (Program) to be administered by the Department of Revenue. The Department shall adopt guidelines providing for the administration of the Program in accordance with this section and shall prioritize job retention, economic viability, and commercial stability when awarding grants under this section. The purpose of the Program is to

1 ensure the economic viability of Western North Carolina in the aftermath of Hurricane Helene
2 by providing a one-time grant to qualifying businesses that meet the conditions of this section.

3 **SECTION 2B.1.(b)** Definitions. – The following definitions apply in this section:

- 4 (1) Department. – The Department of Revenue.
- 5 (2) Economic loss. – A reduction in revenue experienced by a qualifying business
6 as a result of Hurricane Helene and determined as the difference between the
7 business's average combined gross receipts for the fourth calendar quarter of
8 2022 and 2023 as compared to the business's gross receipts for the fourth
9 calendar quarter of 2024.
- 10 (3) Gross receipts. – North Carolina gross receipts, determined as the sum of all
11 amounts listed on line 1 of Form E-500, Sales and Use Tax Return, for sales
12 occurring during a specified time period.
- 13 (4) Program. – The Hurricane Helene Economic Recovery Grant Program created
14 by this section.
- 15 (5) Qualifying business. – A business that meets all of the following
16 requirements:
- 17 a. Is subject to income tax under Article 4 of Chapter 105 of the General
18 Statutes.
- 19 b. Experienced economic loss of at least twenty-five thousand dollars
20 (\$25,000).
- 21 c. Has been registered to do business in the State and actively engaged
22 in business for a minimum of two years immediately preceding
23 application for grant funding under this section.
- 24 d. Has not filed a bankruptcy petition or otherwise initiated a bankruptcy
25 proceeding during the five years immediately preceding application
26 for grant funding under this section.
- 27 e. Is located in a county that qualifies, in whole or in part, for FEMA
28 Public Assistance Categories C through G.

29 **SECTION 2B.1.(c)** Eligibility; Verification. – A qualifying business is eligible for
30 a grant under the Program. Prior to awarding a grant to an applicant business, the Department
31 shall verify the applicant's economic loss.

32 **SECTION 2B.1.(d)** Applications; Supplemental Documentation. – The business
33 must apply to the Department for a grant during the time frame and on a form prescribed by the
34 Department and the business must provide all supporting documentation required by the
35 Department. The Department may accept applications until the funds available under the
36 Program have been awarded and all funds shall be awarded on a first-come, first-served basis.

37 **SECTION 2B.1.(e)** Grant Amount. – The grant amount to a qualifying business
38 under the Program is equal to the lesser of (i) twenty-five percent (25%) of the qualifying
39 business's economic loss or (ii) seventy-five thousand dollars (\$75,000).

40 **SECTION 2B.1.(f)** Eligible Uses. – Grants awarded under the Program shall be used
41 by qualifying businesses for working capital and normal business expenses consistent with the
42 allowable use of loan proceeds under the Economic Injury Disaster Loan program of the Small
43 Business Administration. The Department shall adopt guidelines detailing the eligible use of
44 grant proceeds under the Program in accordance with the requirements of this subsection.

45 **SECTION 2B.1.(g)** Grant Program Limit. – The total of all funds granted under the
46 Program may not exceed the amount allocated to the Program under this act.

47 **SECTION 2B.1.(h)** Clawback. – If a business receives a grant under the Program
48 for which it is ineligible, the business forfeits the grant awarded under this section and is liable
49 for the amounts received. An award forfeited under this section shall bear interest at the rate
50 determined in accordance with G.S. 105-241.21 as of the date of receipt until repaid. Failure to
51 pay an award forfeited shall be collected by a civil action in the name of the State, and the

recipient business shall pay the cost of the action. The Attorney General, at the request of the Secretary of Revenue, shall institute the action in the proper court for the collection of the award forfeited, including interest thereon. A grant under the Program authorized in this section shall be conditioned on a recipient business maintaining operations for a minimum of one year following receipt of the grant, and the Department shall clawback a proportionate amount of the grant for any portion of the one year the recipient business does not maintain business operations.

SECTION 2B.1.(i) Administrative Expenses. – The Department may retain up to one and one-half percent (1.5%) of the funds appropriated for the Program created by this section for administrative expenses.

SECTION 2B.1.(j) Reporting. – Beginning May 1, 2026, and continuing every six months thereafter until all grant funding has been awarded, the Department shall submit a report on the Program to the Joint Legislative Economic Development and Global Engagement Oversight Committee and the Fiscal Research Division. Each report shall contain, at a minimum, all of the following:

- (1) The number of grants awarded.
- (2) The average grant amount.
- (3) The total amount of grant funding awarded to date.
- (4) The location of each recipient business.

SUBPART II-C. HURRICANE HELENE LOCAL GOVERNMENT CAPITAL GRANT PROGRAM

SECTION 2C.1.(a) Establishment. – There is established the Hurricane Helene Local Government Capital Grant Program (Program) to be administered by the Office of State Budget and Management. The purpose of the Program is to disburse grants to eligible recipients for capital projects in the affected area in accordance with the Program requirements set forth in this section.

SECTION 2C.1.(b) Criteria; Uses. – OSBM shall disburse grants to eligible recipients under a damage per capita formula developed from FEMA's damage estimates and reports in the affected area from Hurricane Helene. The grants shall be used for capital projects to repair, renovate, or replace infrastructure damaged by Hurricane Helene. These capital projects must be projects that have been denied eligibility for FEMA Public Assistance reimbursement.

SECTION 2C.1.(c) Eligible Recipients. – To be eligible for a grant under the Program, a recipient shall be a unit of local government or a federally recognized tribe on lands held in trust by the United States located in the affected area.

SECTION 2C.1.(d) Prioritization. – OSBM shall prioritize grants to an eligible recipient with a population of 300,000 or fewer based on the 2023 Certified County Population Estimates from the State Demographer and that qualify, in whole or in part, for FEMA Public Assistance Categories C through G.

SECTION 2C.1.(e) Maximum Grant Awards. – OSBM shall not award more than the following percentages of the funds appropriated for the Program:

- (1) Twenty percent (20%) to one county, including grants to units of local government within that county.
- (2) Five percent (5%) per eligible recipient.
- (3) Five percent (5%) per zip code if that zip code only qualifies for FEMA Public Assistance Categories A through B.

SECTION 2C.1.(f) Reporting Requirement. – OSBM shall submit a report to the chairs of the Joint Legislative Oversight Committee on General Government and the Joint Legislative Emergency Management Oversight Committee and the Fiscal Research Division no later than six months after the application period for this Program opens, and every six months thereafter until all funds are expended. The report shall include, at a minimum, all of the following:

- (1) The number of grants disbursed and to which eligible recipients.
- (2) The proposed uses for each grant.
- (3) The average and median amounts of the grants disbursed under the Program.

SUBPART II-D. HURRICANE HELENE FLOOD MITIGATION GRANT PROGRAM

SECTION 2D.1.(a) Establishment. – There is established the Hurricane Helene Flood Mitigation Grant Program (Program). The funds appropriated in this act to NCEM for the Disaster Relief and Mitigation Fund (DRMF) shall be used to provide funds to the Program to provide flood mitigation grants to units of local government and nonprofit organizations to undertake flood mitigation projects in the affected area. Units of local government may also apply for engineering assistance grants.

SECTION 2D.1.(b) Flood Mitigation Grants. – Grants disbursed under the Program for eligible flood mitigation grants must be for projects that reduce the risk of future damage from flooding through structural or nonstructural measures through the following:

- (1) Culvert or bridge retrofits or replacements.
- (2) Stormwater and drainage system improvements.
- (3) Relocation of at-risk infrastructure.
- (4) Hardening of critical facilities and utilities.

SECTION 2D.1.(c) Engineering Assistance Grants. – Grants disbursed under the Program may also be used by units of local government to identify and design shovel-ready projects related to flood mitigation.

SECTION 2D.1.(d) Cost-Share. – There is no cost-share or matching requirement by recipients to receive grants under the Program. Recipients of grants will be paid under a reimbursement model for costs incurred for eligible flood mitigation or engineering assistance grants.

SECTION 2D.1.(e) Maximum Grant Awards. – NCEM shall not award a grant larger than (i) ten percent (10%) to a single recipient or (ii) twenty percent (20%) to a single county, of the total amount of funds appropriated in this act for the Program.

SECTION 2D.1.(f) Administrative Expenses. – NCEM may retain up to one and one-half percent (1.5%) of the funds appropriated for the Program created by this section for administrative expenses.

SECTION 2D.1.(g) DRMF Requirements. – To the extent the Program requirements described in this section conflict with the DRMF requirements, this section controls.

SUBPART II-E. FARM INFRASTRUCTURE DISASTER RECOVERY PROGRAM

SECTION 2E.1.(a) Establishment. – There is established the Farm Infrastructure Disaster Recovery Program (Program) within the Department of Agriculture and Consumer Services to repair, rebuild, and restore farm infrastructure damaged by Hurricane Helene. The Department shall open an application period of six months within 30 days of this section becoming law to allow persons in the affected area to apply for funds for these purposes. The applicant must verify to the Department that the losses were directly caused by Hurricane Helene.

SECTION 2E.1.(b) Audit. – The Department may audit the financial and other records of each recipient of funds in order to ensure that the funds are used in accordance with the requirements of this Program. The Department may require any documentation or proof it considers necessary to efficiently administer this Program, including the ownership structure of each entity, the social security numbers of each owner, and any documentation of insurance payments or federal funds for verified losses. In order to verify losses, the Department may require the submission of dated, signed, and continuous records.

SECTION 2E.1.(c) Definition. – For the purposes of the Program, the term "farm infrastructure" means fencing, greenhouses, barns, equipment, and farm roads, or other structures or improvements used for farming purposes.

1 **SECTION 2E.1.(d)** Reporting Requirement. – The Department shall report to the
2 Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources six
3 months after the application period opens for the Program, and every six months thereafter,
4 detailing, at a minimum, the number and type of applicants, structures covered, and average grant
5 amount.

6 **SECTION 2E.1.(e)** Expiration and Reversion. – The Program shall expire 30 months
7 after this section becomes effective. Any funds allocated to the Program not expended or
8 encumbered by that date shall revert to the Helene Fund.

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10 **SUBPART II-F. AERIAL ASSET ACCESSIBILITY GRANT PROGRAM**

11 **SECTION 2F.1.(a)** Program; Purpose. – There is established the Aerial Asset
12 Accessibility Grant Program (Program) to be administered by NCEM. The purpose of the
13 Program is to disburse grants to local airports and airfields in the affected area to (i) repair,
14 replace, and restore infrastructure damaged by Hurricane Helene and (ii) build and improve
15 capacity for emergency preparedness and disaster response for future natural disasters and
16 emergencies. NCEM shall consult with the Department of Transportation if grant applications
17 concern airport roads or other infrastructure, as necessary.

18 **SECTION 2F.1.(b)** Grants for Damaged Infrastructure. – NCEM shall disburse
19 grants to eligible recipients to repair, replace, and restore infrastructure on airport property,
20 including terminals, runways, gates, hangars, curtilage structures, airport roads, and other
21 structures damaged by Hurricane Helene. Applicants for these grants must pursue insurance
22 coverage and federal aid prior to being awarded a grant for these purposes.

23 **SECTION 2F.1.(c)** Grants for Capacity for Emergency Preparedness. – NCEM shall
24 disburse grants to eligible recipients to improve the capacity for emergency preparedness and
25 disaster response through capital projects and infrastructure and communication improvements
26 on airfield property. Eligible recipients must demonstrate how the project or improvement will
27 increase emergency preparedness and disaster response.

28 **SECTION 2F.1.(d)** Eligible Recipient. – An eligible recipient for a grant awarded
29 under this Program shall be limited to persons or units of local government that own an airport
30 that (i) is currently in operation or (ii) was in operation prior to Hurricane Helene and not
31 currently in operation but for damage from Hurricane Helene and meet the following criteria:

- 32 (1) Must have a fuel truck available 24 hours per day and seven days per week.
33 (2) The county in which the airport resides must enter into an agreement with the
34 State giving the State untethered access to any facilities provided under the
35 Program.
36 (3) Must have on-site aviation mechanics that offer services to the public.
37 (4) During a state of emergency, the airport must be able to be open 24 hours per
38 day and seven days per week.
39 (5) Does not offer passenger service.

40 **SECTION 2F.1.(e)** Prioritization. – NCEM shall prioritize applicants with facilities
41 that demonstrate adequate runway capacity, storage capacity, and personnel that can substantially
42 contribute to enhanced regional emergency and disaster readiness. These prioritized applicants
43 shall also be capable of facilitating access of various forms and sizes of aircraft providing
44 adequate takeoff and landing clearance.

45 **SECTION 2F.1.(f)** Maximum Grant Award. – Grants awarded under this Program
46 shall not exceed five million dollars (\$5,000,000) per eligible recipient. A county in the affected
47 area shall not receive more than two grants from the Program.

48 **SECTION 2F.1.(g)** Reporting Requirement. – NCEM shall submit a report to the
49 chairs of the Joint Legislative Emergency Management Oversight Committee and the Fiscal
50 Research Division no later than six months after the application period for this Program opens,

and every six months thereafter until all funds are expended. The report shall include, at a minimum, all of the following:

- (1) The number of grants disbursed and to which eligible recipients.
- (2) The proposed uses for each grant.
- (3) The average and median amounts of the grants disbursed under the Program.

SUBPART II-G. DAM SAFETY GRANT FUND

SECTION 2G.1. Part 3 of Article 21 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-215.32B. Dam Safety Grant Fund.

(a) Creation; Purpose. – There is created within the Department a special, nonreverting account to be known as the Dam Safety Grant Fund to issue grants from the Fund to eligible dam owners for the purpose of dam repair, modification, or removal, if the dam was damaged by a natural disaster. The Fund shall be administered by the Division of Energy, Mineral, and Land Resources.

(b) Prioritization. – The Department shall assign priority for grants that serve as the State match to eligible projects based on the Risk-Based Prioritization Method established under the Federal Emergency Management Agency (FEMA) High Hazard Potential Dams (HHPD) Rehabilitation Grant Program. Funds may also be used for dams not eligible for federal match under the HHPD Rehabilitation Grant Program if the dam was damaged by a natural disaster and classified as high hazard.

(c) The Department shall, when funding is available, administer grants from the Fund in a manner consistent with applicable federal and State law and regulations.

(d) The Department shall submit an annual report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources detailing the projects funded, federal dollars drawn from the HHPD Rehabilitation Grant Program for those projects, and locations, types, and justification of each project."

SUBPART II-H. DISASTER RECOVERY CONSTITUENT PORTAL

SECTION 2H.1. The Department of Information Technology shall issue a request for proposals for the development and creation of a disaster relief portal, focused on constituent engagement, that will operate as a central platform for relevant updates and constituent services in response to natural disasters occurring in the State. The disaster focused constituent engagement portal shall be designed to consolidate critical information and programs from all relevant State agency websites and any federal resources from FEMA, HUD, or other federal agencies, including disaster recovery case management, into a single, centralized portal where affected citizens can engage with State agencies, find resources, and receive real-time information.

SUBPART II-I. HELENE-RELATED FUNDING: SEWER/WATER

SECTION 2I.1.(a) The General Assembly finds that the supplemental appropriations provided by Congress in the American Relief Act of 2025 (P.L. 118-158) and allocated by the U.S. Environmental Protection Agency to the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund for wastewater treatment works, drinking water facilities, and decentralized wastewater treatment systems in the State impacted by Hurricane Helene should be expeditiously used for repair and replacement of drinking water and wastewater infrastructure damaged by Hurricane Helene.

Accordingly, the General Assembly appropriates in this act for the 2025-2026 fiscal year the sum of six hundred eighty-five million six hundred thirteen thousand dollars (\$685,613,000) in federal disaster funding in this act, which is allocated in and for the following amounts and uses:

- (1) Two hundred fifty-three million six hundred eighty-one thousand dollars (\$253,681,000) to the Clean Water State Revolving Fund established in G.S. 159G-22(b) (CWSRF) and four hundred nine million four hundred twenty-two thousand dollars (\$409,422,000) to the Drinking Water State Revolving Fund established in G.S. 159G-22(c) (DWSRF) for funding of projects consistent with applicable federal law and guidance to CWSRF and DWSRF eligible entities that were damaged, can demonstrate impact, or experienced a loss or disruption of a mission-essential function caused by Hurricane Helene.
- (2) Twenty-two million five hundred ten thousand dollars (\$22,510,000) to the CWSRF to improve the resilience of decentralized wastewater treatment systems to flooding, to assess the potential to connect homes served by decentralized wastewater treatment systems to centralized wastewater systems, and to fund such connections.

SECTION 2I.1.(b) These funds shall be receipted by the Department of Environmental Quality in the amounts listed in subsection (a) of this section for those purposes.

PART III. REGULATORY FLEXIBILITIES

SECTION 3.1.(a) Debris Removal in Affected Area. – State agencies and units of local government shall use the United States Army Corps of Engineers (USACE) to remove and clear debris and other detritus from lands and waterways from Hurricane Helene in the affected area prior to using contractors hired by the State of North Carolina unless the USACE is not able to service the area, including in an expeditious or efficient manner, then the State agency or unit of local government may use the State or private contractors.

SECTION 3.1.(b) Effective Date; Applicability. – This section is effective when it becomes law and applies to contracts entered into on or after that date. This section does not apply to or impair existing contracts.

SECTION 3.2. Extend Term of Water Infrastructure Loans. – Section 4C.7(j) of S.L. 2024-53, as amended by Section 1D.10 of S.L. 2024-57, reads as rewritten:

"SECTION 4C.7.(j) Terms. – A loan from the program is subject to all of the following:

- (1) Interest rate. – The loan does not bear interest.
- (2) Maturity. – The loan matures upon the earlier of (i) receipt of federal or State disaster relief by the provider or (ii) ~~June 30, 2030.~~ **June 30, 2040."**

SECTION 3.3. Eligibility for Federal Decentralized Wastewater Funding. – The following entities are eligible to apply for and receive a loan or grant from funds appropriated in this act to the Clean Water State Revolving Fund for decentralized wastewater treatment systems:

- (1) A local government unit or a nonprofit water corporation, as defined in G.S. 159G-20.
- (2) A Community Development Finance Institution or a nonprofit organization that provides financing assistance to homeowners to repair or replace decentralized wastewater systems in North Carolina.
- (3) A district health department established under Part 1 of Article 2 of Chapter 130A of the General Statutes.

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

SECTION 4.1.(a) Reversion. – 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) Receipt of Allocations. – A recipient of State funds under this act shall use best efforts and take all reasonable steps to obtain alternative funds that cover the losses

or needs for which the State funds are provided, including funds from insurance policies in effect and available federal aid. State funds paid under this act are declared to be excess over funds received by a recipient from the settlement of a claim for loss or damage covered under the recipient's applicable insurance policy in effect or federal aid. Where a recipient is an institution of higher education or a non-State entity, the requirement regarding alternative funds and the calculation of alternative funds received under this subsection includes seeking private donations to help cover the losses or needs for which State funds are provided. An agency awarding State funds for disaster relief shall include a notice to the recipient of the requirements of this subsection.

SECTION 4.1.(c) Remittance of Funds. – If a recipient obtains alternative funds pursuant to subsection (b) of this section, the recipient shall remit the funds to the State agency from which the State funds were received. A recipient is not required to remit any amount in excess of the State funds provided to the recipient under this act. The State agency shall transfer these funds to the Savings Reserve.

SECTION 4.1.(d) Contract Requirements. – Any contract or other instrument entered into by a recipient for receipt of funds under this act shall include the requirements set forth in subsections (b) and (c) of this section.

SECTION 4.1.(e) Limitation on Powers of Governor. – The Governor may not use the funds described in this act to make budget adjustments under G.S. 143C-6-4 or to make reallocations under G.S. 166A-19.40(c). Nothing in this act shall be construed to prohibit the Governor from exercising the Governor's authority under these statutes with respect to funds other than those described in this act.

SECTION 4.1.(f) Directive. – The Governor shall ensure that funds allocated in this act are expended in a manner that does not adversely affect any person's or entity's eligibility for federal funds that are made available, or that are anticipated to be made available, as a result of natural disasters. The Governor shall also, to the extent practicable, avoid using State funds to cover costs that will be, or likely will be, covered by federal funds.

SECTION 4.1.(g) Continuation of Allocation Reporting Requirements. – OSBM shall add the appropriations and allocations provided for in this act to the reporting requirements set forth in Section 4.1(g) of S.L. 2025-2.

SECTION 4.1.(h) Continuation of State Auditor Oversight. – The Office of the Governor of North Carolina shall continue the reporting requirements set forth in Section 4.2 of S.L. 2025-2. The State Auditor shall include all funds appropriated and allocated under this act in their report to the Joint Legislative Commission on Governmental Operations and include the expenditure of these funds in the public dashboard as set forth in Sections 4.2(c) and (d) of S.L. 2025-2.

PART V. MISCELLANEOUS PROVISIONS

SECTION 5.1. Effect of Headings. – The headings to the parts and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act, except for effective dates referring to a part or section.

SECTION 5.2. Severability. – If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

SECTION 5.3. Effective Date. – Except as otherwise provided, this act is effective when it becomes law.