

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017**

S

3

**SENATE BILL 338  
Second Edition Engrossed 4/25/17  
House Committee Substitute Favorable 6/28/17**

Short Title: Disaster Recovery Act of 2017.

(Public)

---

Sponsors:

---

Referred to:

---

March 22, 2017

1                                   A BILL TO BE ENTITLED  
2 AN ACT TO ENACT THE DISASTER RECOVERY ACT OF 2017.  
3 The General Assembly of North Carolina enacts:

4                   **SECTION 1.** If Senate Bill 257 of the 2017 Regular Session becomes law, one  
5 hundred million dollars (\$100,000,000) reserved as Supplemental Disaster Recovery Funds in  
6 that act shall be allocated as follows:

7           (1)    Housing. – Twenty-five million dollars (\$25,000,000) to be allocated to the  
8                   following agencies and entities for housing-related matters:

9                   a.     Twenty million dollars (\$20,000,000) to the Department of Public  
10                   Safety, Division of Emergency Management, for the following:

11                   1.     For repair of owner-occupied low- to moderate-income  
12                   housing not covered by Community Development Block  
13                   Grant Disaster Recovery Program funding.

14                   2.     For repair of low- to moderate-income rental housing not  
15                   covered by Community Development Block Grant Disaster  
16                   Recovery Program funding.

17                   3.     To be used for housing elevation, acquisition, and mitigation  
18                   reconstruction for homes not covered by Hazard Mitigation  
19                   Grant Program.

20                   4.     To provide State Acquisition Relocation funds, which enable  
21                   low- to moderate-income homeowners to purchase homes.

22                   5.     To provide flood insurance subsidies.

23                   6.     To provide temporary housing for storm victims.

24                   7.     To hire Community Development Specialists to administer  
25                   programs authorized under this act and under S.L. 2016-124.

26                   8.     To provide repairs to public housing in Princeville and  
27                   Lumberton.

28                   b.     Five million dollars (\$5,000,000) to the Lumber River Council of  
29                   Government to be used to develop and construct low-income  
30                   multifamily housing units in the Town of Fair Bluff.

31           (2)    Infrastructure. – Thirty million dollars (\$30,000,000) to the Golden L.E.A.F.  
32                   (Long-Term Economic Advancement Foundation), Inc., a nonprofit  
33                   corporation, to provide grants to local governments and to 501(c)(3)  
34                   nonprofit corporations for assistance and relief from Hurricane Matthew, the  
35                   western wildfires, and Tropical Storms Julia and Hermine. For purposes of



1 this subdivision, infrastructure includes nonresidential buildings that serve  
2 the public, water, sewer, sidewalks, storm drainage, and other, similar  
3 projects. Funds shall be used for the following:

- 4 a. To repair or replace existing infrastructure and tangible personal  
5 property.
- 6 b. To replace or improve existing infrastructure to support hazard  
7 mitigation.
- 8 c. To construct infrastructure to support (i) hazard mitigation and (ii)  
9 the development of new residential structures in area outside the  
10 100-year floodplain.

11 (3) Agricultural. – Twenty million dollars (\$20,000,000) to the Department of  
12 Agriculture and Consumer Services, Division of Soil and Water  
13 Conservation, for stream debris removal and nonfield farm road repairs and  
14 for supplemental funding of the Agricultural Water Resources Assistance  
15 Program to support disaster-related farm pond and dam repairs. The  
16 Department may allocate up to one million dollars (\$1,000,000) to be used  
17 for drought relief in the counties identified in subsection (b) of Section 2 of  
18 this act.

19 (4) Community colleges. – Two million seven hundred thousand dollars  
20 (\$2,700,000) to the Community College System Office for the 2017-2018  
21 fiscal year. The Community College System Office shall transfer the entire  
22 sum into a budget stabilization reserve in Budget Code 16800 to be used to  
23 offset the impact of community college enrollment declines related to  
24 Hurricane Matthew. When calculating the enrollment growth budget request  
25 for the 2018-2019 fiscal year, the North Carolina Community College  
26 System Office shall adjust the full-time equivalent (FTE) enrollment to  
27 reflect the FTE lost due to Hurricane Matthew.

28 (5) Federal match. – Twenty-two million three hundred thousand dollars  
29 (\$22,300,000) to the State Emergency Response and Disaster Relief Fund to  
30 provide the State match for federal disaster assistance programs.

31 **SECTION 2.** Applicability. – (a) Except as provided in subsection (b) of this  
32 section, this act applies in the North Carolina counties that were any of the following:

- 33 (1) Declared a major disaster by the President of the United States under the  
34 Stafford Act (P.L. 93-288) as a result of Hurricane Matthew, wildfires in the  
35 western part of the State, Tropical Storm Julia, or Tropical Storm Hermine.
- 36 (2) Part of the emergency area set forth in any of the following gubernatorial  
37 executive orders: Executive Order No. 97 (September 1, 2016), Executive  
38 Order No. 103 (September 22, 2016), Executive Order No. 107 (October 3,  
39 2016), Executive Order No. 115 (November 16, 2016), or Executive Order  
40 No. 116.

41 **SECTION 2.(b)** The funds allocated for drought relief under subdivision (3) of  
42 Section 1 of this act apply to 20 counties in western North Carolina that have been declared a  
43 federal disaster by the Secretary of the United States Department of Agriculture due to the  
44 prolonged drought.

45 **SECTION 3.** Implementation. – The following actions and policy shall be taken to  
46 implement this section:

- 47 (1) The Governor may establish part-time and full-time personnel positions to  
48 implement this act. Positions established under this section are time limited  
49 and exempt from the State Human Resources Act.

- 1 (2) The Governor shall establish advisory councils to advise relevant State  
2 agencies on hurricane relief and recovery efforts and to ensure input from  
3 representatives of affected communities and groups.
- 4 (3) If a person's home is relocated or purchased with funds from the Hazard  
5 Mitigation Grant Program or the State Acquisition and Relocation Fund, the  
6 State Emergency Response and Disaster Relief Fund is subrogated to the  
7 person's rights under any insurance coverage for the damage to the home and  
8 any monies received from the insurance coverage shall be paid to the State  
9 Emergency Response and Disaster Relief Fund. The Division of Emergency  
10 Management shall ensure that those potentially affected by this section are  
11 notified of, and adhere to, its requirements.
- 12 (4) It is the intent of the General Assembly to continue to review the funds  
13 appropriated by Congress and to consider actions needed to address any  
14 remaining unmet needs. It is also the intent of the General Assembly to  
15 review the adequacy of the measures funded in this act and S.L. 2016-124.
- 16 (5) No State funds appropriated in this act may be expended for the construction  
17 of any new residence within the 100-year floodplain unless the construction  
18 is in an area regulated by a unit of local government pursuant to a floodplain  
19 management ordinance and the construction complies with the ordinance. As  
20 used in this section, "100-year floodplain" means any area subject to  
21 inundation by a 100-year flood, as indicated on the most recent Flood  
22 Insurance Rate Map prepared by the federal Emergency Management  
23 Agency under the National Flood Insurance Program.
- 24 (6) Homeowners in the 100-year floodplain who receive homeowner's housing  
25 assistance pursuant to this act shall have in effect federal flood insurance, if  
26 available, as a precondition to receipt of State homeowner's housing  
27 assistance for losses resulting from future flooding.

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

33 The Governor shall also ensure that funds allocated in this act are expended in a  
34 manner that does not adversely affect any person's or entity's eligibility for federal funds that  
35 are made available, or that are anticipated to be made available, as a result of Hurricane  
36 Matthew, the western North Carolina wildfires, or Tropical Storms Julia and Hermine. The  
37 Governor shall also, to the extent practicable, avoid using State funds to cover costs that will  
38 be, or likely will be, covered by federal funds.

39 **SECTION 5. No Reversion of Funds.** – Funds described in Section 1 of this act  
40 shall remain available to implement the provisions of this act until the General Assembly  
41 directs the reversion of any unexpended and unencumbered funds. G.S. 143C-6-23(f1)(1) shall  
42 not apply to funds described in Section 1 of this act.

43 **SECTION 6. Reporting Requirements.** – The Office of State Budget and  
44 Management shall report to the chairs of the House of Representatives and Senate  
45 Appropriations Committees and to the Fiscal Research Division of the General Assembly on  
46 the implementation of this section on a monthly basis and shall also provide any additional  
47 reports or information requested by the Fiscal Research Division. Each report required by this  
48 section shall include information about all funds expended or encumbered pursuant to this act  
49 as of the date of the report, regardless of which State agency or non-State entity administers the  
50 funds. Non-State entities that administer or receive any funds appropriated in this act shall

- 1 assist and fully cooperate with the Office of State Budget and Management in meeting the
- 2 Office's obligations under this section.
- 3           **SECTION 7.** This act is effective when it becomes law.