

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

H

1

HOUSE BILL 1012

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

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

6 The General Assembly of North Carolina enacts:

7
8 **PART I. TITLE AND SCOPE OF ACT**

9 **SECTION 1.1.** Title. – This act shall be known as "The Disaster Recovery Act of
10 2025 – Part II."

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

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

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

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

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



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

3
4 **PART II. HURRICANE HELENE DISASTER RECOVERY APPROPRIATIONS AND**
5 **PROGRAMS**

6
7 **SUBPART II-A. DISASTER RECOVERY APPROPRIATIONS AND TRANSFERS**

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

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

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

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

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

- 32 (1) Forty-five million dollars (\$45,000,000) for the Department of Environmental
33 Quality:
- 34 a. Twenty-five million dollars (\$25,000,000) previously allocated for the
35 Water Infrastructure Emergency Bridge Loan Program in accordance
36 with Sections 2.1(a) and 4C.7 of S.L. 2024-53.
- 37 b. Twenty million dollars (\$20,000,000) previously allocated for the
38 Emergency Infrastructure Bridge Loan Program for Commercial
39 Underground Storage Tanks in accordance with Sections 2.1(a) and
40 4C.8 of S.L. 2024-53.
- 41 (2) Twelve million five hundred thousand dollars (\$12,500,000) for the
42 Department of Public Instruction previously allocated for lost compensation
43 from school closures in accordance with Sections 6.1(a) and 8.1(c) of S.L.
44 2024-51.
- 45 (3) Five million dollars (\$5,000,000) for The University of North Carolina
46 System Office for the repair and renovation of facilities in accordance with
47 Section 2.1(a) of S.L. 2024-53 and the Committee Report described in Section
48 6.1 of that act.
- 49 (4) Two million two hundred fifty thousand dollars (\$2,250,000) for the North
50 Carolina State Board of Elections to conduct the 2024 General Election in the
51 affected area in accordance with Sections 6.1(a) and 9.1(c) of S.L. 2024-51.

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

- 4 (1) Fifty-five million dollars (\$55,000,000) to the Department of Agriculture and
5 Consumer Services to be allocated as follows:
6 a. Twenty-five million dollars (\$25,000,000) for the Farm Infrastructure
7 Disaster Recovery Program in accordance with Subpart II-E of this
8 act.
9 b. Fifteen million dollars (\$15,000,000) for the Streamflow
10 Rehabilitation Assistance Program to be used in accordance with
11 Article 6 of Chapter 139 of the General Statutes in the affected area.
12 c. Fifteen million dollars (\$15,000,000) for the North Carolina Forest
13 Service. Of these funds, ten million dollars (\$10,000,000) shall be used
14 for contract services for firefighters, grading, and other fire response
15 services for wildfires in the affected area, and five million dollars
16 (\$5,000,000) for the purchase of equipment to respond and fight
17 wildfires in the affected area.
- 18 (2) Sixty million dollars (\$60,000,000) to the Department of Commerce for the
19 Helene Business Recovery Grant Program in accordance with Subpart II-B of
20 this act.
- 21 (3) Ten million dollars (\$10,000,000) to the Department of Environmental
22 Quality for the Dam Safety Grant Fund to repair, modify, or remove dams
23 damaged by Hurricane Helene in the affected area, consistent with
24 G.S. 143-215.32B, as enacted by Subpart II-G of this act.
- 25 (4) Three million dollars (\$3,000,000) to the Department of Information
26 Technology to develop the disaster recovery constituent portal in accordance
27 with Subpart II-H of this act.
- 28 (5) Twelve million five hundred thousand dollars (\$12,500,000) to the
29 Department of Natural and Cultural Resources as follows:
30 a. Seven million five hundred thousand dollars (\$7,500,000) for repair,
31 restoration, and cleanup of amenities, facilities, and other features of
32 the State Parks System damaged by Hurricane Helene that are not
33 reimbursable through federal aid. The Department shall prioritize
34 using these funds to increase accessibility and reopen State parks in
35 the affected area.
36 b. Five million dollars (\$5,000,000) to disburse grants to repair and
37 renovate local parks, local libraries, and local museums damaged by
38 Hurricane Helene in the affected area. Each grant awarded under this
39 subdivision shall be no more than two hundred fifty thousand dollars
40 (\$250,000).
- 41 (6) Ten million dollars (\$10,000,000) to the Department of Transportation, Rail
42 Division, for grants as follows:
43 a. Nine million dollars (\$9,000,000) to Blue Ridge Southern Railroad,
44 LLC, for recovery and repair of infrastructure damaged by Hurricane
45 Helene. The remaining funds from this allocation shall revert to the
46 Helene Fund on June 30, 2027.
47 b. One million dollars (\$1,000,000) to Great Smoky Mountains Railroad,
48 LLC, for recovery and repair of infrastructure damaged by Hurricane
49 Helene. The remaining funds from this allocation shall revert to the
50 Helene Fund on June 30, 2027.

- 1 (7) Thirty-three million dollars (\$33,000,000) to the Department of Public
2 Instruction as follows:
- 3 a. Twenty-five million dollars (\$25,000,000) to disburse as competitive
4 grants to public school units for total rebuilds of destroyed public
5 school infrastructure and buildings damaged by Hurricane Helene in
6 the affected area. To qualify for these funds, public school units must
7 have sought insurance coverage and have infrastructure damaged that
8 is not reimbursable under federal aid prior to application, if applicable.
9 The Department shall ensure that funds do not duplicate funds
10 received from insurance for the same purposes. Applicants for these
11 funds shall have at least thirty million dollars (\$30,000,000) in total
12 reconstruction damages and costs.
- 13 b. Eight million dollars (\$8,000,000) to disburse as a competitive grant
14 program to public school units to repair public school infrastructure or
15 buildings damaged by Hurricane Helene in the affected area. To
16 qualify for these funds, public school units must have been denied
17 insurance coverage and federal aid for the infrastructure damaged prior
18 to receipt of the funds. Each grant awarded under this subdivision shall
19 be no more than five hundred thousand dollars (\$500,000).
- 20 (8) One hundred sixty-five million dollars (\$165,000,000) to NCEM as follows:
- 21 a. Seventy million dollars (\$70,000,000) to provide the State match for
22 federal disaster assistance programs for State agencies and units of
23 local governments.
- 24 b. Thirty million dollars (\$30,000,000) for the Private Road and Bridge
25 Repair Program (Program), established in Subpart II-C of S.L. 2025-2.
26 Of those funds, ten million dollars (\$10,000,000) shall be used solely
27 for reimbursement to persons with qualifying projects that have been
28 completed. Applications for reimbursement shall be accepted by
29 NCEM for a period of six months from the date NCEM opens an
30 application process to persons in the affected area. If a qualifying
31 private road or bridge is owned by a homeowners association (HOA),
32 then reimbursement shall not exceed fifty percent (50%) of costs. If
33 funds remain after the application period closes for reimbursement, the
34 remaining funds shall be repurposed within the Program for new
35 construction of eligible projects. The reporting requirements under
36 Section 2C.1(e) of S.L. 2025-2 apply to these funds.
- 37 c. Twenty-five million dollars (\$25,000,000) for the Aerial Asset
38 Accessibility Grant Program in accordance with Subpart II-F of this
39 act.
- 40 d. Twenty million dollars (\$20,000,000) for the Disaster Relief and
41 Mitigation Fund for the Hurricane Helene Flood Mitigation Grant
42 Program in accordance with Subpart II-D of this act.
- 43 e. Twenty million dollars (\$20,000,000) to disburse grants to any
44 member organization of Volunteer Organizations Active in Disaster
45 (VOADs) actively involved in actual and ongoing repair and
46 reconstruction projects. NCEM shall submit a report by October 1,
47 2025, and every six months thereafter until all funds are expended, to
48 the Joint Legislative Emergency Management Oversight Committee
49 and Fiscal Research Division detailing the use of the funds allocated
50 to VOADs under this subdivision and Section 2A.2(7) of S.L. 2025-2.

- 1 (9) Ten million dollars (\$10,000,000) to the Housing Finance Agency for the
2 repair and preservation of existing rental units in counties in the affected area
3 with a population of 300,000 or fewer based on the 2023 Certified County
4 Population Estimates from the State Demographer. No more than twenty
5 percent (20%) of these funds shall be allocated to recipients located within
6 one county, including the county itself.
- 7 (10) Five million dollars (\$5,000,000) to the North Carolina Community College
8 System for funding for students to pay for tuition, fees, and emergency
9 expenses that impact a student's ability to remain enrolled.
- 10 (11) Seventy-six million two hundred fifty thousand dollars (\$76,250,000) to
11 OSBM as follows:
- 12 a. Fifty million dollars (\$50,000,000) for the Hurricane Helene Local
13 Government Capital Grant Program in accordance with Subpart II-C
14 of this act.
- 15 b. Fifteen million dollars (\$15,000,000) to distribute to State agencies
16 and units of local government for debris and sedimentation removal
17 unmet needs. NCEM shall assist OSBM in coordinating the debris
18 removal with relevant State agencies and local stakeholders. OSBM
19 shall prioritize using these funds to address identified gaps in debris
20 cleanup not met by other federal and State programs.
- 21 c. Six million two hundred fifty thousand dollars (\$6,250,000) to
22 disburse grants to repair damage from Hurricane Helene:
- 23 1. One million five hundred thousand dollars (\$1,500,000) to
24 Lees-McRae College.
- 25 2. One million five hundred thousand dollars (\$1,500,000) to
26 Montreat College.
- 27 3. One million five hundred thousand dollars (\$1,500,000) to
28 Warren Wilson College.
- 29 4. Five hundred thousand dollars (\$500,000) to Johnson C. Smith
30 University.
- 31 5. Five hundred thousand dollars (\$500,000) to Mars Hill
32 University.
- 33 6. Two hundred fifty thousand dollars (\$250,000) to Brevard
34 College.
- 35 7. Two hundred fifty thousand dollars (\$250,000) to
36 Gardner-Webb University.
- 37 8. Two hundred fifty thousand dollars (\$250,000) to
38 Lenoir-Rhyne University.
- 39 d. Five million dollars (\$5,000,000) to OSBM to provide grants to the
40 North Carolina League of Municipalities and the North Carolina
41 Association of County Commissioners to provide technical assistance
42 to units of local governments with federal financial aid applications,
43 support planning and permitting assistance, and building capacity for
44 building and trade inspections. In providing this assistance, these
45 entities shall prioritize grants to units of local government in counties
46 with a population of less than 250,000.
- 47 (12) Eighteen million dollars (\$18,000,000) to the Office of the State Fire Marshal
48 to disburse grants of fifty thousand dollars (\$50,000) to fire departments and
49 rescue squads to be used to repair or replace equipment and facilities damaged
50 by Hurricane Helene and to enhance wildfire response and preparedness.
51 Notwithstanding Section 1.3 of this act, the recipients of these grants must be

1 located in the following counties: Alexander, Alleghany, Ashe, Avery,
2 Buncombe, Burke, Caldwell, Clay, Cleveland, Cherokee, Graham, Haywood,
3 Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk,
4 Rutherford, Swain, Transylvania, Watauga, Wilkes, and Yancey. Grants
5 disbursed pursuant to this subdivision shall not be used to fund full-time
6 equivalent positions or staffing.

7 (13) Six million dollars (\$6,000,000) to the Board of Governors of The University
8 of North Carolina to disburse grants to the following schools to repair, replace,
9 renovate, or construct buildings or infrastructure damaged by Hurricane
10 Helene, and for resiliency and hazard mitigation on campus property to
11 prepare for future disasters:

- 12 a. Two million dollars (\$2,000,000) to Western Carolina University.
- 13 b. Two million dollars (\$2,000,000) to Appalachian State University.
- 14 c. Two million dollars (\$2,000,000) to the University of North Carolina
15 – Asheville.

16 (14) One million dollars (\$1,000,000) to the North Carolina School for the Deaf in
17 Morganton to repair, replace, renovate, or construct buildings or infrastructure
18 damaged by Hurricane Helene.

19 **SECTION 2A.3.(b)** NCSBE Remaining Funds Flexibility for Affected Area. – Of
20 the funds allocated to the North Carolina State Board of Elections under Sections 6.1(a) and
21 9.1(c) of S.L. 2024-51, not including the funds transferred under this subpart, NCSBE may use
22 the remaining funds for conducting and staffing elections, including for equipment, technology,
23 and other purposes necessary for operation, in the affected area.

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

35 36 **SUBPART II-B. HURRICANE HELENE ECONOMIC RECOVERY GRANT** 37 **PROGRAM**

38 **SECTION 2B.1.(a)** Program; Purpose. – There is established the Hurricane Helene
39 Economic Recovery Grant Program (Program) to be administered by the Department of
40 Commerce. The Department shall adopt guidelines providing for the administration of the
41 Program in accordance with this section and shall prioritize job retention, economic viability,
42 and commercial stability within the affected area when awarding grants under this section. The
43 purpose of the Program is to ensure the economic viability of Western North Carolina in the
44 aftermath of Hurricane Helene by providing a one-time grant to qualifying businesses in the
45 affected area that meet the conditions of this section.

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

- 47 (1) Department. – The Department of Commerce.
- 48 (2) Economic loss. – A reduction in revenue experienced by a qualifying business
49 as a result of Hurricane Helene and determined as the difference between the
50 business's average combined gross receipts for the fourth calendar quarter of

1 2022 and 2023 as compared to the business's gross receipts for the fourth
2 calendar quarter of 2024.

3 (3) Gross receipts. – North Carolina gross receipts, determined as the sum of all
4 amounts listed on line 1 of Form E-500, Sales and Use Tax Return, for sales
5 occurring during a specified time period.

6 (4) Program. – The Hurricane Helene Economic Recovery Grant Program created
7 by this section.

8 (5) Qualifying business. – A business located in the affected area that meets all of
9 the following requirements:

10 a. Is subject to income tax under Article 4 of Chapter 105 of the General
11 Statutes.

12 b. Experienced economic loss of at least twenty-five thousand dollars
13 (\$25,000).

14 c. Has been registered to do business in the State and actively engaged
15 in business in the affected area for a minimum of two years
16 immediately preceding application for grant funding under this
17 section.

18 d. Has not filed a bankruptcy petition or otherwise initiated a bankruptcy
19 proceeding during the five years immediately preceding application
20 for grant funding under this section.

21 **SECTION 2B.1.(c) Eligibility; Verification.** – A qualifying business is eligible for
22 a grant under the Program. Prior to awarding a grant to an applicant business, the Department, in
23 consultation with the Department of Revenue, shall verify the applicant's economic loss.
24 Notwithstanding G.S. 105-259, the Department of Revenue may disclose tax information to the
25 Department for purposes of this subsection.

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

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

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

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

41 **SECTION 2B.1.(h) Clawback.** – If a business receives a grant under the Program
42 for which it is ineligible, the business forfeits the grant awarded under this section and is liable
43 for the amounts received. An award forfeited under this section shall bear interest at the rate
44 determined in accordance with G.S. 105-241.21 as of the date of receipt until repaid. Failure to
45 pay an award forfeited shall be collected by a civil action in the name of the State, and the
46 recipient business shall pay the cost of the action. The Attorney General, at the request of the
47 Secretary of Commerce, shall institute the action in the proper court for the collection of the
48 award forfeited, including interest thereon. A grant under the Program authorized in this section
49 shall be conditioned on a recipient business maintaining operations for a minimum of one year
50 following receipt of the grant, and the Department shall clawback a proportionate amount of the
51 grant for any portion of the one year the recipient business does not maintain business operations.

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

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

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

13 14 **SUBPART II-C. HURRICANE HELENE LOCAL GOVERNMENT CAPITAL GRANT** 15 **PROGRAM**

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

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

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

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

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

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

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

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

49 50 **SUBPART II-D. HURRICANE HELENE FLOOD MITIGATION GRANT PROGRAM**

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

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

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

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

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

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

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

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

30 **SUBPART II-E. FARM INFRASTRUCTURE DISASTER RECOVERY PROGRAM**

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

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

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

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

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

4
5 **SUBPART II-F. AERIAL ASSET ACCESSIBILITY GRANT PROGRAM**

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

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

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

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

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

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

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

43 **SECTION 2F.1.(g)** Reporting Requirement. – NCEM shall submit a report to the
44 chairs of the Joint Legislative Emergency Management Oversight Committee and the Fiscal
45 Research Division no later than six months after the application period for this Program opens,
46 and every six months thereafter until all funds are expended. The report shall include, at a
47 minimum, all of the following:

- 48 (1) The number of grants disbursed and to which eligible recipients.
- 49 (2) The proposed uses for each grant.
- 50 (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

1 DWSRF eligible entities that were damaged, can demonstrate impact, or
2 experienced a loss or disruption of a mission-essential function caused by
3 Hurricane Helene.

- 4 (2) Twenty-two million five hundred ten thousand dollars (\$22,510,000) to the
5 CWSRF to improve the resilience of decentralized wastewater treatment
6 systems to flooding, to assess the potential to connect homes served by
7 decentralized wastewater treatment systems to centralized wastewater
8 systems, and to fund such connections.

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

11 12 **PART III. REGULATORY FLEXIBILITIES**

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

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

22 **SECTION 3.2.** Extend Term of Water Infrastructure Loans. – Section 4C.7(j) of S.L.
23 2024-53, as amended by Section 1D.10 of S.L. 2024-57, reads as rewritten:

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

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

28 29 **PART IV. REVERSION, LIMITATIONS ON USE OF FUNDS, AUDIT, AND** 30 **REPORTING OF FUNDS**

31 **SECTION 4.1.(a)** Reversion. – Except as otherwise provided, funds appropriated
32 under Part II of this act shall revert to the Savings Reserve if not expended or encumbered by
33 June 30, 2030.

34 **SECTION 4.1.(b)** Receipt of Allocations. – A recipient of State funds under this act
35 shall use best efforts and take all reasonable steps to obtain alternative funds that cover the losses
36 or needs for which the State funds are provided, including funds from insurance policies in effect
37 and available federal aid. State funds paid under this act are declared to be excess over funds
38 received by a recipient from the settlement of a claim for loss or damage covered under the
39 recipient's applicable insurance policy in effect or federal aid. Where a recipient is an institution
40 of higher education or a non-State entity, the requirement regarding alternative funds and the
41 calculation of alternative funds received under this subsection includes seeking private donations
42 to help cover the losses or needs for which State funds are provided. An agency awarding State
43 funds for disaster relief shall include a notice to the recipient of the requirements of this
44 subsection.

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

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

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

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

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

17 **SECTION 4.1.(h)** Continuation of State Auditor Oversight. – The Office of the
18 Governor of North Carolina shall continue the reporting requirements set forth in Section 4.2 of
19 S.L. 2025-2. The State Auditor shall include all funds appropriated and allocated under this act
20 in their report to the Joint Legislative Commission on Governmental Operations and include the
21 expenditure of these funds in the public dashboard as set forth in Sections 4.2(c) and (d) of S.L.
22 2025-2.

23 24 **PART V. MISCELLANEOUS PROVISIONS**

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

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

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