



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

ROY COOPER
GOVERNOR

CHARLES PERUSSE
STATE BUDGET DIRECTOR

March 19, 2019

MEMORANDUM

TO: Department Heads and Chief Fiscal Officers
State Departments, Agencies and Institutions

FROM: Charles Perusse *Charles Perusse*
State Budget Director

SUBJECT: Summary of Hurricane Florence Legislation, Senate Bill 3 (Session Law 2018-136), House Bill 4 (Session Law 2018-134), Senate Bill 2 (Session Law 2018-135), Senate Bill 823 (Session Law 2018-138), Senate Bill 469 (Session Law 2018-145), and Senate Bill 827 (Session Law 2018-141)

The North Carolina General Assembly has enacted several pieces of legislation to address the damage caused by Hurricane Florence, with a few specific references to Hurricanes Matthew and Michael. The General Assembly appropriated disaster funds and crafted special provision language to aid in recovery efforts in Session Laws 2018-134, 2018-135, 2018-136, 2018-138, 2018-141, and 2018-145. These bills may be downloaded from the General Assembly's website at <http://www.ncleg.net>. The Governor also issued several Executive Orders related to Hurricane Florence. You can find the Executive Orders by going to the following hyperlink: <https://governor.nc.gov/news/executive-orders>.

This memorandum summarizes Hurricane Florence legislation and relevant Executive Orders issued during and after the storm. For agencies affected by the legislation, this summary is not intended to replace the agency's responsibility to review the legislation.

SUMMARY OF AVAILABILITY AND APPROPRIATIONS

Session Laws 2018-134 and 2018-136 directed state availability to support hurricane recovery efforts. A complete summary of the availability provided by these bills are illustrated below:

Beginning Unreserved Fund Balance	FY 2018-19
Transfer from Savings Reserve, S.L. 2018-134	\$ 56,500,000
Transfer from Savings Reserve, S.L. 2018-136	700,000,000
Transfer from Education Lottery Reserve per G.S. 166A-19.40{c} - S.L. 2018-136	25,000,000
Transfer from Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund - S.L. 2018-136	2,000,000
Transfer of S.L. 2016-124 funds - Authorized in S.L. 2018-136	930,477
Transfer from Highway Fund - S.L. 2018-136	65,000,000
Total Hurricane Florence Disaster Recovery Activities Availability	\$ 849,430,477
Less Appropriations in S.L. 2018-134	\$ 56,500,000
Less Appropriations in S.L. 2018-136	398,430,477
Less Appropriations in S.L. 2018-138	299,800,000
Unappropriated Balance Remaining	\$ 94,700,000

The table below summarizes state agency appropriations provided in Session Laws 2018-134, 2018-136, and 2018-138.

Agency	Session Law			Total by Agency
	2018-134	2018-136	2018-138	
Agriculture and Consumer Services	\$ 70,000,000	\$240,000,000		\$ 310,000,000
Community College System Office		18,500,000		18,500,000
Department of Environmental Quality		4,000,000	28,750,000	32,750,000
Department of Health and Human Services		12,000,000		12,000,000
Housing and Finance Agency		10,000,000		10,000,000
Department of Insurance		930,477		930,477
Department of Public Instruction	6,500,000	60,000,000	25,000,000	91,500,000
Department of Public Safety*	50,000,000	100,000,000		150,000,000
State Budget and Management (Golden L.E.A.F.)		25,000,000	5,000,000	30,000,000
Department of Transportation		65,000,000		65,000,000
University of North Carolina - Board of Governors		33,000,000		33,000,000
Wildlife Resources Commission			50,000	50,000
Administrative Office of the Courts			1,000,000	1,000,000
Total by Session Law	\$ 56,500,000	\$ 398,430,477	\$ 299,800,000	\$ 754,730,477

*Note: S.L. 2018-138 redirects \$25 million of the \$50 million given to the Department of Public Safety in S.L. 2018-134 for state match of federal funds. \$20 million was repurposed to the Office of Recovery and Resiliency and \$5 million to the Department of Health and Human Services. The reallocation of these funds are not reflected in the table above.

GENERAL PROVISIONS

CREATION OF HURRICANE FLORENCE DISASTER RECOVERY FUND

SECTION 3.1 (S.L. 2018-134) & SECTION 2.1(d) (S.L. 2018-136)

Directs the establishment of the Hurricane Florence Disaster Recovery Fund (HFDRF). The purpose of the fund is to provide necessary and appropriate relief and assistance from the effects of Hurricane Florence. The Fund shall be maintained as a special fund and administered by the Department of Public Safety (DPS) for all state and federal funds that pass through the department. Florence relief and recovery efforts shall be budgeted and accounted for in the fund and drawn only as needed. Funds that are not expended, encumbered, or disbursed shall remain available to implement the provisions of this act or subsequent acts necessitated as a result of Hurricane Florence, until otherwise directed by the General Assembly.

SECTION 4.2. (S.L. 2018-134) & SECTION 1 (S.L. 2018-136)

The appropriations and allocations made in this act are for maximum amounts necessary to implement this act. Savings will be realized where the total amounts appropriated or allocated are not required to implement this act.

INVOLVEMENT OF HISTORICALLY UNDERUTILIZED BUSINESSES

SECTION 5.1 (S.L. 2018-134) & SECTION 5.21 (S.L. 2018-136)

Specifies that it is the intent of the General Assembly that each State agency should strive to acquire goods and services from historically underutilized business vendors, whether directly as principal contractors or indirectly as subcontractors, as part of the Hurricane Florence recovery effort.

LEGISLATIVE REVIEW OF FEDERAL FUNDING AND REMAINING UNMET NEEDS

SECTION 5.2 (S.L. 2018-134) & SECTION 5.22 (S.L. 2018-136)

Sets forth the General Assembly's intent to review the 2018 and 2019 funds appropriated by Congress for disaster relief and to consider actions needed to address any remaining unmet needs.

ADDITIONAL LIMITATIONS ON USE OF FUNDS

SECTION 5.7 (S.L. 2018-134) & SECTION 4.3(a) (S.L. 2018-136)

States that the Governor shall ensure that funds appropriated 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 Hurricane Florence. The Governor shall also, to the extent practicable, avoid using State funds to cover recovery cost that will be covered by the Federal Government.

APPROPRIATION OF FEDERAL FUNDS

SECTION 4.3 (S.L. 2018-134)

Appropriates Federal funds received on or after September 13, 2018, under the Stafford Act (P.L. 93-288) and other federal disaster assistance programs for State disasters as a result of Hurricane Florence. The section also directs the Office of State Budget and Management (OSBM) and affected State agencies to report all notifications of federal awards to the Joint Legislative Commission on Governmental Operations (GovOps) and the Fiscal Research Division (FRD) of the General Assembly.

REIMBURSEMENT FOR FUNDS PROVIDED UNDER THIS ACT (S.L. 2018-136)

SECTION 4.2(a) States that recipients of State funding 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. Further, each institution of higher education and non-State entity that receives State funds under this act shall also seek private donations to help cover the losses or needs for which these State funds are provided.

SECTION 4.2(b) If a recipient obtains alternative funds pursuant to subsection (a) 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 HFDRF.

HURRICANE FLORENCE DISASTER RECOVERY APPROPRIATION AND AVAILABILITY

SECTION 2.1.(c) (S.L. 2018-136)

Instructs the Office of State Controller to establish a Hurricane Florence Disaster Recovery Reserve in the State General Fund to maintain funds reserved for disaster recovery in this act. The State Controller shall transfer funds to the HFDRF in DPS only as needed to meet the appropriations set out in this act or other related acts of the General Assembly.

AUDIT OF HURRICANE FLORENCE DISASTER RECOVERY FUND

SECTION 5.19 (S.L. 2018-136)

The State Auditor (OSA) shall conduct a preliminary financial and performance audit of the Hurricane Florence Disaster Recovery Fund by March 1, 2019. OSA shall also conduct additional periodic financial and performance audits of the Fund and a final financial and performance audit as requested by the Director of the Budget and the General Assembly.

DEPARTMENT OF PUBLIC INSTRUCTION

APPROPRIATIONS AND ALLOCATIONS OF FUNDS FOR DISASTER RELIEF

SECTION 4.1(1) (S.L. 2018-134)

Provides \$6.5 million to the Department of Public Instruction (DPI) to supplement or replace lost compensation of school lunch employees due to school closures resulting from Hurricane Florence.

FLEXIBILITY IN THE SCHOOL CALENDAR AND COMPENSATION TO SCHOOL EMPLOYEES

CALENDAR FLEXIBILITY

SECTION 1.1 (S.L. 2018-135)

Provides calendar flexibility to public school units located in counties impacted by Hurricane Florence. School districts in disaster-declared counties may (1) deem up to 20 school days as already completed; (2) set their own requirements for making up any number of instructional days or hours missed due to Hurricane Florence; or (3) implement a combination of the two. School districts located outside of disaster-declared counties that missed in excess of two days due to the storm may do either or a combination of the following: (1) Make up any number of the instructional days or equivalent hours missed, (2) Deem as completed any number of the instructional days or equivalent hours missed.

EMPLOYEE COMPENSATION

SECTION 1.2 (S.L. 2018-135)

Provides that public school employees will be compensated the same as if they had worked any scheduled instructional days deemed completed by the public-school unit during September and October of 2018. The board of directors of a charter school may, but is not required, to provide such compensation for its employees.

Also directs that up to \$6.5 million in nonrecurring funds provided to DPI from the HFDRF shall be used to compensate school nutrition employees for scheduled missed instructional days due to Hurricane Florence in September and October 2018 when compensation would have been provided by school meal receipts or federal funds.

If funds are insufficient to provide compensation as authorized in this section, DPI will ensure that priority is given to public school units with greatest economic need when awarding available funds.

REPORTING REQUIREMENTS

SECTION 1.3 (S.L. 2018-135)

Requires the Superintendent of Public Instruction to submit a report to the House of Representatives Committee on Appropriations and the Senate Appropriations/Base Budget Committee, the Joint Legislative Education Oversight Committee, and FRD on the implementation of this act by school districts including: all missed days, make-up days, and days deemed completed, and any compensation provided to employees pursuant to this act, by March 15, 2019.

HURRICANE FLORENCE DISASTER RECOVERY APPROPRIATION AND AVAILABILITY

SECTION 2.3. (S.L. 2018-136)

Directs the Office of State Budget and Management (OSBM) to transfer \$25 million from the Education Lottery Reserve to the Hurricane Florence Disaster Recovery Reserve. This transfer ratifies prior budgetary action taken by Governor Cooper which transferred \$25 million from the Education Lottery Fund to DPI to be used to repair K-12 schools.

ALLOCATIONS OF FUNDS FOR DISASTER RELIEF

SECTION 4.1 (S.L. 2018-136)

Allocates a total of \$60 million to DPI from the HFDRF - \$25 million transferred from the Education Lottery Reserve to the HFDRF (as directed in Section 2.3) and \$35 million transferred from the Savings Reserve in the General Fund to HFDRF.

AVERAGE DAILY MEMBERSHIP DETERMINATION

SECTION 5.1 (S.L. 2018-136)

Adjusts the allotted average daily membership (ADM) of public-school units for the 2018-19 school year to assist units impacted by Hurricane Florence as follows: ADM adjustments for school district and charter schools in disaster-designated counties will be calculated based on the highest student population of the first four months rather than just the first two months of school. This change will assist districts and charters that experienced reduced membership due to student displacement from the storms.

APPROPRIATIONS/AVAILABILITY/ALLOCATIONS OF FUNDS FOR HURRICANE FLORENCE DISASTER RELIEF

SECTION 1.3. (1) (S.L. 2018-138)

Provides an additional \$23.5 million to DPI for public school units (including local school administrative units, laboratory schools, and innovative schools) damaged by Hurricane Florence to repair and renovate public school facilities including furnishings and equipment.

SECTION 1.3. (2) (S.L. 2018-138)

Provides \$1.5M to DPI to repair or replace school nutrition food, equipment and supplies damaged by the hurricane and not covered by insurance/FEMA.

TRANSFER OF FUNDS TO THE EDUCATION FUND

SECTION 2.1 (S.L. 2018-138)

Transfers up to \$350,000 from the State Public School Fund to the Education Fund to solely support the Florence Aid to Students and Teachers of North Carolina (FAST NC).

PRINCIPAL ADM HOLD HARMLESS

SECTION 2.2.(a) (S.L. 2018-138)

Establishes a Hold Harmless for the purposes of determining the average daily membership (ADM) of a school supervised by the principals under the 2018-19 Principal Annual Salary Schedule. The greater of the ADM for the 2017-18 school year or the 2018-19 school year shall be used between January 1, 2019 and June 30, 2019. This section applies principals (1) of a school located in a county designated a major disaster area as a result of Hurricane Florence and (2) the school was closed for at least 15 days due to Hurricane Florence.

EXPAND PRINCIPAL ADM HOLD HARMLESS ELIGIBILITY/CERTAIN SCHOOLS AFFECTED BY HURRICANE FLORENCE

SECTION 22. (S.L. 2018-145)

Modifies the Hold Harmless established under Section 2.2. (a) - Session Law 2018-138 for principals supervising schools that were closed due to Hurricane Florence in 2018. This section expands eligibility for Principal ADM Hold Harmless by lowering the number of closed school days to 10 in the months of September, October, and November instead of 15 days set in S.L. 2018-138.

COMMUNITY COLLEGES; UNIVERSITY OF NORTH CAROLINA SYSTEM

EMERGENCY SCHOLARSHIP GRANTS FOR POSTSECONDARY STUDENTS

SECTION 5.3 (S.L. 2018-136)

Section 5.3(a) establishes the Hurricane Florence Emergency Grant Program for Postsecondary Students to provide emergency scholarship grants in an amount up to \$1,250 per student to eligible students who have suffered financial hardship due to damage from Hurricane Florence. The emergency grants shall be used to allow students to maintain enrollment in a North Carolina institution of higher education by addressing emergency financial needs, including costs related to textbooks, tuition, fees, and living expenses. Eligible institutions include public community colleges, University of North Carolina (UNC) constituent institutions, and certain private postsecondary institutions.

Section 5.3(b) establishes eligibility criteria and application components and timelines for the Program. Applications must show that students are enrolled in an eligible institution of higher education, have a financial need related to Hurricane Florence, and either attend an institution located in a county with a federal disaster declaration related to Hurricane Florence or list such a county as their place of residence. Institutions must begin accepting applications for emergency grants by November 1, 2018.

Section 5.3(c) addresses the award of grants through the Program. Participating institutions must award grants as soon as practicable and may establish priority based on the funds available and severity of financial need. If no priority is established, awards should be made in the order in which applications are received. Students may receive multiple awards provided the total awarded to an individual does not exceed \$1,250.

Section 5.3.(d) requires recipients to use best efforts to obtain alternative funds to cover losses and requires that, if recipients of these awards are successful in obtaining alternative funds to cover financial needs for which they applied to this Program, those recipients remit an amount equal to the amount of alternative funds obtained not to exceed the amount awarded through this grant.

Section 5.3(e) directs that \$2 million of the sum allocated to the UNC Board of Governors from the Hurricane Florence Disaster Recovery Fund (HFDRF) for fiscal year 2018-19 be used for the purpose of providing emergency grants through this Program. The section directs the Board of Governors to allocate the \$2 million to UNC constituent institutions based on the impact of Hurricane Florence on enrolled students. Eligible institutions include those in disaster-declared counties and those with students who reside in disaster-declared counties or transferred to the institution due to damages from Hurricane Florence.

Section 5.3(f) directs that \$5 million of the sum allocated to the State Board of Community Colleges System Office from the HFDRF for fiscal year 2018-19 be used for the purpose of providing emergency grants through this Program. The section directs the State Board of Community Colleges to allocate the \$5 million to community colleges based on the impact of Hurricane Florence on enrolled students. Eligible institutions include those in disaster-declared counties and those with students who reside in disaster-declared counties or transferred to the institution due to damages from Hurricane Florence.

Section 5.3(g) directs that \$1 million of the sum allocated to the UNC Board of Governors from the HFDRF for fiscal year 2018-19 be allocated to the State Education Assistance Authority (SEAA) for the purpose of providing emergency grants through this program to students attending certain private postsecondary institutions. Eligible institutions include those in disaster-declared counties and those with students who reside in disaster-declared counties or transferred to the institution due to damages from Hurricane Florence.

Section 5.3(h) requires the UNC Board of Governors, the State Board of Community Colleges, and SEAA to report to the House and Senate Appropriations committees, the Joint Legislative Education Oversight Committee, the Office of Recovery and Resiliency (ORR), and FRD on the implementation of this Program at institutions of higher education receiving funding through this section.

SMALL BUSINESS RECOVERY LOANS

PROHIBITION ON USE OF STATE FUNDS TO CONSTRUCT CERTAIN RESIDENCES SECTION 5.23(c) (S.L. 2018-136)

Requires that all funds loaned to small and mid-sized businesses be used only for eligible purposes under the Small Business Administration (SBA) disaster loan assistance program, as described in the federal disaster declarations designated by the SBA as NC 14911 and NC 14912. In addition, this section requires that payments for economic losses be limited to documented business expenses necessary for the continued operation of said business.

APPROPRIATIONS/AVAILABILITY/ALLOCATIONS OF FUNDS FOR HURRICANE FLORENCE DISASTER RELIEF SECTION 1.3.4 (S.L. 2018-138)

Allocates \$5,000,000 of the appropriated Hurricane Florence Disaster Recovery Fund to the Office of State Budget and Management for The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation, to provide grants to eligible entities capable of making loans

to small businesses affected by Hurricane Florence. These funds and funds received by Golden L.E.A.F. pursuant to S.L. 2018-136 shall not be subject to G.S. 143C-6-23(d).

LOCAL GOVERNMENT INFRASTRUCTURE FUND

CREATION OF OFFICE OF RECOVERY AND RESILIENCY/GRANTS

SECTION 5.7(b) (S.L. 2018-136)

Directs the newly established Office of Recovery and Resiliency/Grants (ORR/G) to develop and administer a grant program for financially distressed local governments to assist with recovery capacity. The grants shall cover the salaries, benefits, and operating costs for up to two three-year positions and may also be used to purchase one vehicle per community as necessitated by the individual circumstances of each community. The Office shall also, in consultation with the Local Government Commission, develop and administer a one-time emergency fund for local governments in disaster-affected areas that need immediate cash flow assistance. These funds shall be used to meet local government debt service obligations, to meet payroll obligations for local governments, and to meet vendor payments where nonpayment would result in negative financial outcome.

APPROPRIATIONS/AVAILABILITY/ALLOCATIONS OF FUNDS FOR HURRICANE FLORENCE DISASTER RELIEF

SECTION 1.5.1 (S.L. 2018-138)

Allocates up to \$20,000,000 previously allocated for state match to be made available by the Office of Recovery and Resiliency (ORR) in DPS to provide loans to local governments in counties declared a major disaster area as a result of Hurricane Florence. These funds assist with cash flow management while the local governments await federal reimbursement. The Office is required to enter into agreements with local governments to ensure the proper use of the funds and for the return of the funds to the State once the local governments have received Federal reimbursement. The Office is directed to operate the program on a revolving loan fund basis to assist the maximum number of local governments possible. Funds returned to the State will be deposited in the HFDRF.

EXPAND INFRASTRUCTURE FUND ELIGIBILITY

SECTION 2.10 (S.L. 2018-138)

States that in spite of provisions in S.L. 2018-136 or the Committee Report described in Section 6.1 of that act, funds provided to The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., and funds used to provide grants to local governments to repair and replace infrastructure, vehicles and equipment, and facilities may be used to provide grants for similar purposes to organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. In addition, Golden L.E.A.F. may also provide grants to private nonprofit organizations and established religious organizations to repair and replace places of worship damaged or destroyed by flooding caused by Hurricane Florence.

AGRICULTURE & NATURAL RESOURCES

HURRICANE FLORENCE AGRICULTURAL DISASTER PROGRAM OF 2018

SECTION 5.11 (S.L. 2018-136)

Establishes the Hurricane Florence Disaster Fund as a special fund in the Department of Agriculture and Consumer Services (DACS). The Fund consists of General Assembly appropriations and contributions and grants from public or private sources. The Fund is used for a financial assistance program for farmers affected by Hurricane Florence. DACS may not use these funds for administrative purposes. Losses of agricultural commodities, livestock, poultry, and aquacultural species propagated or reared in a controlled or selected environment are covered by the program. The section outlines criteria to qualify for financial assistance.

DELAY THE BEGINNING OF PEAK SEASON FOR SOIL TESTING BY THE DEPARTMENT OF AGRICULTURAL AND CONSUMER SERVICES

SECTION 2.4(a) (S.L. 2018-138)

Declares that the beginning date for "peak season" in 2018 for soil testing by DACS shall be December 15th.

CLARIFY HURRICANE FLORENCE AGRICULTURAL DISASTER PROGRAM

SECTION 2.5(a) (S.L. 2018-138)

Rewrites Section 5.11(d) of S.L. 2018-136 defining the Hurricane Florence Agricultural Disaster Program so that eligible agricultural commodities must be planted but not harvested on or before September 13, 2018. Section 2.5(b) adds a new subsection 5.11(j1) to S.L. 2018-136. The new subsection adds a reporting requirement for DACS to report certain data to FRD no later than 30 days after the end of each quarter. Section 2.5 became effective October 16, 2018.

ADDITIONAL AUTHORITY FOR AGRICULTURAL IMPACTS OF HURRICANE MICHAEL

SECTION 2.5(A) (S.L. 2018-138)

Declares that if a NC county is included in either a Secretarial Disaster Declaration for Hurricane Michael issued by the U.S. Secretary of Agriculture or a Presidential FEMA declaration for Hurricane Michael, and the Commissioner of Agriculture determines that funds allocated to the Hurricane Florence Agricultural Disaster Program of 2018 are needed to address the impacts of Hurricane Michael in those counties, OSBM or their designee shall transfer the needed funds from the HFDRF to the State Emergency Response and Disaster Relief Fund. DACS can expend those funds for the purposes set out in Section 5.11 of S.L. 2018-136. Transferred funds are subject to the same reporting requirements.

REPURPOSE STREAM DEBRIS REMOVAL FUNDS

SECTION 2.6 (S.L. 2018-138)

Allows the transfer of funds allocated to DACS by S.L. 2016-124 or S.L. 2017-119 for stream debris removal to the HFDRF and used to fund removal of stream debris deposited by Hurricane Florence. DACS will track and submit a quarterly report to the FRD on the funds transferred under this authority.

AN ACT TO EXTEND THE APPLICATION PERIOD FOR THE HURRICANE FLORENCE AGRICULTURAL DISASTER PROGRAM OF 2018 (S.L. 2018-141)

Extends the deadline for the Hurricane Florence Agricultural Disaster Program of 2018 from December 10, 2018 to December 20, 2018. The Department may extend the deadline to March 1, 2019, upon the written request of individuals seeking financial assistance for losses of livestock or poultry; however, the written request must be received on or before the December 20, 2018 deadline.

COASTAL DEBRIS CLEANUP

SECTION 5.12 (S.L. 2018-136)

Directs that \$4,000,000 allocated to DEQ for coastal debris cleanup be used to provide a grant to the North Carolina Coastal Federation (NCCF) to contract with third parties to provide clean-up. The Coastal Federation may not use these funds for administrative or overhead costs and must report on their use of these funds by April 1, 2019.

LIVING SHORELINES PERMIT REVISIONS

SECTION 5.13 (S.L. 2018-136)

Directs the Coastal Resources Commission to adopt temporary rules to revise the Commission's general permit for the construction of riprap sills for wetland enhancement in estuarine and public trust waters to make the permit consistent with the United States Army Corps of Engineers – Wilmington District

regional general permit for living shorelines. The temporary rules shall not delay or otherwise alter general permits issued for other types of coastal erosion control structures.

COMMERCIAL FISHING ASSISTANCE

SECTION 2.7 (S.L. 2018-138)

Allows funds allocated by SB 823 for commercial fishing assistance to be used to reimburse persons holding a Standard Commercial Fishing License, a Retired Standard Commercial Fishing License, or a North Carolina Resident Shellfish License for all or part of the period from September 1, 2018, through November 30, 2018, for reductions in landings demonstrated from trip data ticket or other verified landing compared with average landings over a prior comparable period determined by DEQ's Division of Marine Fisheries. The Division may issue emergency and temporary rules to implement this section and may use up to two and one-half percent (2.5%) of the funds allocated to it by SB 823 for administrative costs, including no more than three temporary positions.

EXPAND USES FOR CERTAIN WATER RESOURCES FUNDING – HURRICANE MITIGATION

SECTION 2.9 (S.L. 2018-138)

Rewrites S.L. 2018-5, Sec. 13.9 to repurpose a \$5 million grant-in-aid to the Resources Institute, Inc. Originally, the grant was to fund work with coastal local governments to explore opportunities for the development and implementation of emerging techniques that can extend the useful life of beach nourishment projects. Instead, the Resources Institute will use these funds to work with the government of Topsail Island to develop, plan, or implement projects intended to mitigate the impact of future hurricanes on the Island.

CLARIFY USE OF GRANT FUNDS (S.L. 2018-145)

SECTION 6(e) Rewrites Section 5.6(b)(6) of S.L. 2018-5 enacted by Section 9.2 of S.L. 2018-97 so that OSBM will be responsible for providing a grant-in-aid of \$20,000 to Transylvania County for storm debris cleanup in streams and rivers. No non-State match is required for these funds.

STUDY DERELICT AND ABANDONED VESSELS

SECTION 2.8 (S.L. 2018-138)

The Wildlife Resources Commission (WRC) shall recommend legislation, including appropriate funding levels, needed (i) to facilitate the identification of owners for abandoned or derelict vessels to require them to take responsibility for their vessels and (ii) in cases where no responsible owner may be found, to provide the State with the authority to expeditiously remove or otherwise dispose of the abandoned and derelict vessels. WRC shall consult with a technical working group that includes DEQ's Division of Coastal Management, the NC Coastal Federation, the National Oceanic and Atmospheric Administration Marine Debris program, marine salvage industry experts, commercial and recreational boat owners, and other interested stakeholders. Recommendations are due no later than March 1, 2019 to the specified parties.

DERELICT AND ABANDONED VESSELS STUDY/REVISE DATE FOR SUBMISSION OF RECOMMENDATIONS

SECTION 17. (S.L. 2018-145)

Rewrites S.L. 2018-138, Sec. 2.8 to extend the due date of the report from March 1, 2019 to April 30, 2019.

EXECUTIVE ORDER NO. 59: AMENDING EXECUTIVE ORDER NO. 55, PARTIALLY RESCINDING EXECUTIVE ORDER NO. 52, AND PROVIDING FOR TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES AND TRANSPORTING ESSENTIALS

Section 2(c) directs DPS to temporarily suspend weighing vehicles used to transport livestock, poultry, or crops ready to be harvested including timber and feed to livestock and poultry in the Emergency Area. Section 4 directs exempted vehicles to produce documentation upon request by law enforcement officers that they are carrying loads for the eligible purposes.

EXECUTIVE ORDER NO. 75: TEMPORARY SUSPENSION OF MOTOR VEHICLE REGULATIONS TO ENSURE RESTORATION OF UTILITY SERVICES AND TRANSPORTING ESSENTIALS

Directs DPS to temporarily suspend weighing vehicles used to transport livestock, poultry or crops ready to be harvested for up to 30 days starting October 10, 2018 in the Hurricane Michael Emergency Area. The maximum hours of service are waived for drivers (1) transporting essential fuels, food, water, medical supplies, and feed for livestock and poultry, (2) transporting livestock, poultry, and crops ready to be harvested and (3) vehicles used in the restoration of utility services. Exempted vehicles must produce documentation upon request by law enforcement officers that they are carrying for the eligible purposes.

HOUSING FINANCE AGENCY

EXPANDED ELIGIBILITY FOR DISASTER HOUSING ASSISTANCE

SECTION 5.18 (S.L. 2018-136)

Authorizes HFA to use disaster relief funds allocated by Session Law 2018-136 may be used to assist individuals and families with household incomes that equal, but do not exceed, one hundred percent (100%) of the local area's median income, adjusted for family. This provision applies to the counties affected by Hurricane Matthew or Hurricane Florence. The normal maximum, set forth in G.S. 122E-6, is 80% of local area median income. In addition, HFA is granted a waiver from statutory requirements for beneficiaries and eligible projects that are also found in G.S. 122E-6.

DEPARTMENT OF PUBLIC SAFETY

CREATION OF OFFICE OF RECOVERY AND RESILIENCY/GRANTS

SECTION 5.7 (S.L. 2018-136)

Creates the Office of Recovery and Resiliency (ORR) within DPS. The Office will lead the multi-year recovery effort for Hurricanes Florence and Matthew. Up to 15 positions will be reassigned from the Division of Emergency Management (EMD) up to an additional 30 new time-limited three-year positions can be created by the new Office.

OFFICE OF RECOVERY AND RESILIENCY REPORTS

SECTION 5.8 (S.L. 2018-136)

Directs ORR, beginning January 1, 2019, to provide quarterly reports to the Director of Budget, the standing Appropriations Committees of the Senate and House of Representatives, and FRD on the use of State disaster recovery and assistance funds expended from the Hurricane Florence Recovery Fund. Additionally, the Office is to provide annual reports beginning January 1, 2020. The reports should summarize oversight activities, the results achieved, expenditures by program and source of funds, expenditures required to receive federal grants, federal funding provided to the state to refund certain federally related spending, actual and projected state spending data, state spending data classified by

disaster phase (preparedness, response, mitigation and recovery), total state spending by agency and program, total state spending by program and county, and the location and job responsibilities of all time-limited positions created under this act or paid for with federal funds.

**REVISE AUDITING REQUIREMENTS FOR HURRICANES MATTHEW AND FLORENCE
SECTION 2.14 (S.L. 2018-138)**

Section 2.14(a) amends language from Section 5.8(a-c) and Section 5.19 of Session Law 2018-136 to clarify that “separate” reports shall be sent to the Director of the Budget, the standing Appropriations Committees of the Senate and House of Representatives, and FRD on the use of disaster recovery and assistance funds expended from the Hurricane Florence Recovery Fund. Furthermore, language is added to include the use of the State Emergency Response and Disaster Relief Fund for Hurricane Matthew in these quarterly reports. Additionally, this section adds a subsection (c) to Section 5.8 in Session Law 2018-136 that stipulates that each report shall include information about all funds expended or encumbered pursuant to this act or any other act providing funds to address impacts of Hurricanes Matthew and Florence, regardless of whether a state or non-state entity administers funds. Non-state entities that administer funds must assist and fully cooperate with ORR to meet these reporting requirements.

Section 2.14(b) repeals Section 5.8 of Session Law 2016-124, Section 6 of Session Law 2017-119 and subsection 5.6(g) of Session Law 2018-5. Language from the prior Session Laws names OSBM as the reporting office whereas the new and amended language names ORR.

Section 2.14(c) amends Section 5.19 of Session Law 2018-136 to conduct a preliminary financial audit no later than October 1, 2019, March 1, 2021 and every two years thereafter, whereas the prior language only included “no later than March 1, 2019”. Additionally, language was amended to direct the State Auditor to conduct performance audits of the Fund every three years with the first one being no later than March 1, 2020 and sets a date for the final financial and performance audit to be conducted once all funds are expended or by March 1, 2025, whichever occurs first. Prior language was not as specific.

**CONSOLIDATE CDBG-DR FUNCTIONS
SECTION 2.15 (S.L. 2018-138)**

Subsection 2.15(a) amends language in Section 5.7(a) of Session Law 2018-136 to include and clarify that ORR shall execute projects and administer funds provided by the Community Development Block Grant Disaster Recovery (CDBG-DR) program for both Hurricanes Matthew and Florence, rather than just saying “program”. Note: This is contingent on the approval from HUD.

Subsection 2.15(b) amends language in Section 5.11(a) that states that the Department of Commerce (DOC) shall transfer any CDBG-DR funds received in response to declarations or executive orders to ORR, whereas prior language had funds being transferred to the Division of Emergency Management (EMD). Similarly, Section 5.11(b) amends language stating that the EMD shall assist DOC in fulfilling any reporting requirements to ORR.

ADMINISTRATIVE OFFICE OF THE COURTS

**JUDICIAL BRANCH DISASTER OPERATIONS
SECTION 2.12 (S.L. 2018-138)**

Amends language in G.S. 7A-64(b) to authorize the Director of the Administrative Office of the Courts (AOC) to provide disaster assistance to the requesting district attorney supported by facts that at least one of the circumstances apply and adds a new circumstance that “a county within the jurisdiction of the

requesting district attorney is subject to a disaster declaration by the Governor pursuant to G.S. 166A-19.3(3).”

Adds language to allow district court sessions to be conducted at a location outside a county seat where “exigent circumstances exist”. The location outside of the county seat is to be ordered by the chief district court judge with prior approval of location and facilities by the Administrative Officer of the Courts and after consultation with the Clerk of Superior Court and county officials. The order should be filed in the office of the Clerk of Superior Court in the county and posted at the courthouse within the county seat and notice should be posted in other conspicuous locations. Related to this change in location, the chief district judge can assign magistrates to temporary duty outside the county of their residence, upon the request of a chief district judge of another district. Prior to this change, the language read “an adjoining” district.

The final subsection (d) lays out the duties of the Director of the AOC and replaces “during an emergency” with “when exigent circumstances exist” to match the new language added in subsection (b).

DEPARTMENT OF TRANSPORTATION

WAIVER OF CERTAIN DMV FEES

SECTION 5.5 (S.L. 2018-134)

Waives certain Department of Motor Vehicles (DMV) fees in disaster declared counties and expires on December 31, 2018.

FERRY FEES WAIVER/SECRETARY OF TRANSPORTATION

SECTION 5. (S.L. 2018-136)

The Secretary of Transportation may suspend the collection of tolls for any ferry route serving an emergency area, as declared pursuant to G.S. 166A-19.20 or G.S. 166A-19.22, for the duration of the state of emergency.

DOT REPORTING REQUIREMENTS

SECTION 5.15 (S.L. 2018-136)

Requires the department to report within 30 days of the end of each calendar quarter to ORR on the use of funds allocated from HFDRF, outlining specific information to include in each quarterly report.

DMV DISCLOSURE OF SOCIAL SECURITY NUMBERS

SECTION 14 (S.L. 2018-145)

Allows DMV to release social security numbers to the Judicial Department for the purpose of administering criminal and motor vehicle laws.

EXECUTIVE ORDER 52

In conjunction with DPS, waives drivers’ services hours, certain height and weight restrictions, and registration and filing penalties for vehicles transporting equipment and supplies for utility restoration and debris removal. Weighing of vehicles transporting livestock and crops is also suspended.

EXECUTIVE ORDER 57

Waives licensing and excise tax requirements to permit diesel fuels used for non-highway purposes to be used on highways.

EXECUTIVE ORDER 61

Directs the Ferry Division to suspend fee collection on ferry routes.

EXECUTIVE ORDER 62

In designated counties, directs DOT to conduct and arrange for hurricane-related debris removal from state-maintained roads and local roads where local resources are insufficient.

EXECUTIVE ORDER 63

Streamlines the salvage title process for vehicles damaged in disaster declared counties.

EXECUTIVE ORDER 76

Suspends the collection of fees owed when issuing duplicate drivers' and commercial drivers' licenses. Codified in SL 2018-134, Section 5.5.

DEPARTMENT OF INSURANCE

CONSTRUCTION FEE MORATORIUM

SECTION 5.16 (S.L. 2018-136)

Specifies that fees associated with the permit, inspection, or certificate of occupancy for Hurricane Florence structures shall not be imposed. Expires December 31, 2018.

DEPARTMENT OF INSURANCE REPORTING

SECTION 5.20 (S.L. 2018-136)

Requires the department to report information on grant allocations to volunteer fire departments to the ORR and FRD.