

**GENERAL ASSEMBLY OF NORTH CAROLINA
THIRD EXTRA SESSION 2018**

S

3

**SENATE BILL 3
Appropriations/Base Budget Committee Substitute Adopted 10/15/18
Third Edition Engrossed 10/15/18**

Short Title: 2018 Hurricane Florence Disaster Recovery Act. (Public)

Sponsors:

Referred to:

October 2, 2018

A BILL TO BE ENTITLED

AN ACT TO ENACT THE 2018 HURRICANE FLORENCE DISASTER RECOVERY ACT.
The General Assembly of North Carolina enacts:

PART I. TITLE OF ACT

SECTION 1.1. This act shall be known as "2018 Hurricane Florence Disaster Recovery Act."

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

PART II. HURRICANE FLORENCE DISASTER RECOVERY APPROPRIATION AND AVAILABILITY

SECTION 2.1.(a) There is appropriated from the Hurricane Florence Disaster Recovery Fund the sum of three hundred ninety-eight million four hundred thirty thousand four hundred seventy-seven dollars (\$398,430,477) for the 2018-2019 fiscal year.

SECTION 2.1.(b) The availability for Hurricane Florence disaster recovery activities in this act are set out below:

	FY 2018-19
Beginning Unreserved Fund Balance	\$ 0
Transfer from Savings Reserve, S.L. 2018-134	\$ 56,500,000
Transfer from Savings Reserve	\$ 700,000,000
Transfer from Education Lottery Reserve per G.S. 166A-19.40(c)	\$ 25,000,000
Transfer from Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund	\$ 2,000,000
Transfer of S.L. 2016-124 funds	\$ 930,477
Transfer from Highway Fund	\$ <u>65,000,000</u>
Total Hurricane Florence Disaster Recovery Activities Availability	\$ 849,430,477
Less Appropriations in S.L. 2018-134	\$ 56,500,000
Less Additional FY 2018-19 Appropriations	\$ <u>398,430,477</u>
Unappropriated Balance Remaining	\$ 394,500,000



1
2 **SECTION 2.1.(c)** The State Controller shall establish a Hurricane Florence Disaster
3 Recovery Reserve in the State General Fund to maintain funds reserved for disaster recovery in
4 this act. The State Controller shall transfer funds to the Hurricane Florence Disaster Recovery
5 Fund only as needed to meet the appropriations set out in this act or other related acts of the
6 General Assembly and only upon request by the Director of the Budget. Funds shall remain in
7 the Reserve until funds are needed to comply with the allocations as set forth in this act. Funds
8 reserved in the Reserve do not constitute an "appropriation made by law," as that phrase is used
9 in Section 7(1) of Article V of the North Carolina Constitution.

10 **SECTION 2.1.(d)** Effective October 2, 2018, Section 3.1(a) of S.L. 2018-134 reads
11 as rewritten:

12 **"SECTION 3.1.(a)** The Hurricane Florence Disaster Recovery Fund is established. The
13 purpose of the Fund is to provide necessary and appropriate relief and assistance from the effects
14 of Hurricane Florence, consistent with the provisions of this ~~act~~act and with subsequent
15 legislation addressing the effects of Hurricane Florence. The Fund shall be maintained as a
16 special fund and administered by the Office of State Budget and Management or by another State
17 agency, as determined by the Governor, to carry out the provisions of this and subsequent acts
18 necessitated as a result of Hurricane Florence. All State and federal funds appropriated or
19 reallocated for Hurricane Florence relief and recovery efforts shall be budgeted and accounted
20 for in the Fund established in this section."

21 **SECTION 2.2.** The State Controller shall transfer the sum of seven hundred million
22 dollars (\$700,000,000) for the 2018-2019 fiscal year from the Savings Reserve in the General
23 Fund to the Hurricane Florence Disaster Recovery Reserve.

24 **SECTION 2.3.** The Office of State Budget and Management shall transfer the sum
25 of twenty-five million dollars (\$25,000,000) for the 2018-2019 fiscal year from the Education
26 Lottery Reserve to the Hurricane Florence Disaster Recovery Reserve. The transfer authorized
27 by this section and allocated in this act ratifies the prior budgetary action taken by the Governor
28 and shall not be construed to duplicate that transfer of lottery funds.

29 **SECTION 2.4.** Notwithstanding G.S. 143-215.73F, the Department of
30 Environmental Quality shall transfer the sum of two million dollars (\$2,000,000) for the
31 2018-2019 fiscal year from the Shallow Draft Navigation Channel Dredging and Aquatic Weed
32 Fund to the Office of State Budget and Management to be credited to the Hurricane Florence
33 Disaster Recovery Reserve.

34 **SECTION 2.5.** Of the funds allocated to the Department of Insurance, Office of the
35 State Fire Marshal, by subdivision (11) of Section 4.1 of S.L. 2016-124 for grants to volunteer
36 fire departments, the sum of nine hundred thirty thousand four hundred seventy-seven dollars
37 (\$930,477) is transferred to the Hurricane Florence Disaster Recovery Reserve.

38 **SECTION 2.6.** Notwithstanding any provision of law to the contrary, the
39 Department of Transportation shall transfer from the Highway Fund the sum of sixty-five million
40 dollars (\$65,000,000) for the 2018-2019 fiscal year to the Office of State Budget and
41 Management to be credited to the Hurricane Florence Disaster Recovery Reserve.

42 43 **PART III. SCOPE OF ACT**

44 **SECTION 3.** Unless otherwise provided, Section 2.1(a) of this act applies to the
45 North Carolina counties designated under a major disaster declaration by the President of the
46 United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence.

47 48 **PART IV. FUNDING OF DISASTER RELIEF/REIMBURSEMENT**

49 50 **ALLOCATIONS OF FUNDS FOR DISASTER RELIEF**

1 **SECTION 4.1.** The funds appropriated in Section 2.1(a) of this act in the Hurricane
 2 Florence Disaster Recovery Fund created in S.L. 2018-134 shall be allocated as provided in the
 3 Committee Report described in Section 6.1 of this act and as follows:

4			
5	Department of Agriculture and Consumer Services	\$	70,000,000
6	Community Colleges System Office	\$	18,500,000
7	Department of Environmental Quality	\$	4,000,000
8	Department of Health and Human Services	\$	12,000,000
9	Housing Finance Agency	\$	10,000,000
10	Department of Insurance	\$	930,477
11	Department of Public Instruction	\$	60,000,000
12	Department of Public Safety	\$	100,000,000
13	Office of State Budget and Management	\$	25,000,000
14	Department of Transportation	\$	65,000,000
15	University of North Carolina – Board of Governors	\$	33,000,000

16

17 **REIMBURSEMENT FOR FUNDS PROVIDED UNDER THIS ACT**

18 **SECTION 4.2.(a)** A recipient of State funds under this act shall use best efforts and
 19 take all reasonable steps to obtain alternative funds that cover the losses or needs for which the
 20 State funds are provided, including funds from insurance policies in effect and available federal
 21 aid. State funds paid under this act are declared to be excess over funds received by a recipient
 22 from the settlement of a claim for loss or damage covered under the recipient's applicable
 23 insurance policy in effect. Further, each institution of higher education and non-State entity that
 24 receives State funds under this act shall also seek private donations to help cover the losses or
 25 needs for which these State funds are provided.

26 **SECTION 4.2.(b)** If a recipient obtains alternative funds pursuant to subsection (a)
 27 of this section, the recipient shall remit the funds to the State agency from which the State funds
 28 were received. A recipient is not required to remit any amount in excess of the State funds
 29 provided to the recipient under this act. The State agency shall transfer these funds to the
 30 Hurricane Florence Disaster Recovery Fund. The funds shall further be transferred to the
 31 applicable fund or reserve from which the funds were originally transferred to the Fund, except
 32 that the first twenty-five million dollars (\$25,000,000) deposited under this subsection as
 33 reimbursement for funds expended for repair and renovation of facilities damaged by Hurricane
 34 Florence for local school administrative units, lab schools, and any eligible Innovative School
 35 District shall be transferred to the Education Lottery Reserve Fund. Funds deposited into the
 36 Fund under this subsection are receipts that do not constitute an "appropriation made by law," as
 37 that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

38 **SECTION 4.2.(c)** Any contract or other instrument entered into by a recipient for
 39 receipt of funds under this act shall include the requirements set forth in subsections (a) and (b)
 40 of this section.

41 **SECTION 4.2.(d)** For purposes of this section, the term "recipient" means a local
 42 political subdivision of the State, a State agency, a State department, an institution of higher
 43 education as defined in Section 5.3(a) of this act, a public school unit as defined in Section 5.1
 44 of this act, or a non-State entity.

45

46 **ADDITIONAL LIMITATIONS ON USE OF FUNDS**

47 **SECTION 4.3.(a)** The Governor shall ensure that funds appropriated in this act are
 48 expended in a manner that does not adversely affect any person's or entity's eligibility for federal
 49 funds that are made available, or that are anticipated to be made available, as a result of Hurricane
 50 Florence. The Governor shall also, to the extent practicable, avoid using State funds to cover
 51 costs that will be, or likely will be, covered by federal funds.

1 **SECTION 4.3.(b)** The Governor may not use the funds described in this act to make
2 reallocations under G.S. 166A-19.40(c). Nothing in this act shall be construed to prohibit the
3 Governor from exercising the Governor's authority under this statute with respect to funds other
4 than those described in this act.

5
6 **PART V. IMPLEMENTATION OF ACT**

7
8 **AVERAGE DAILY MEMBERSHIP DETERMINATION**

9 **SECTION 5.1.** Notwithstanding any other provision of law, in allocating funds for
10 the 2018-2019 fiscal year, the State Board of Education shall adjust the allotted average daily
11 membership (ADM) of public school units for the 2018-2019 school year in a manner that will
12 assist units impacted by Hurricane Florence as follows: Allotment adjustments for ADM
13 decreases shall be based on the highest of the first four months' ADM for public school units
14 located in counties designated under a major disaster declaration by the President of the United
15 States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence.

16 Consistent with the Allotment Adjustments for ADM Growth provisions of the NC
17 Public Schools Allotment Policy Manual applicable for the 2018-2019 school year, local school
18 administrative units are encouraged to apply for additional funding to address needs related to
19 extraordinary ADM growth due to an influx of displaced students as a result of Hurricane
20 Florence.

21 If the State Board of Education does not have sufficient resources in the ADM
22 Contingency Reserve line item to make allotment adjustments in accordance with this section,
23 the State Board of Education may use funds appropriated to State Aid for Public Schools for this
24 purpose.

25 For the purposes of this section, "public school unit" is defined as a local school
26 administrative unit, regional school, innovative school, laboratory school, charter school, or
27 residential school for the deaf or the blind.

28
29 **CAPITAL RECOVERY FUNDS – PUBLIC SCHOOL FACILITIES**

30 **SECTION 5.2.** The funds allocated to the Department of Public Instruction in this
31 act shall not be subject to approval by the State Board of Education.

32
33 **EMERGENCY SCHOLARSHIP GRANTS FOR POSTSECONDARY STUDENTS**

34 **SECTION 5.3.(a)** Program Established; Purpose. – There is established the
35 Hurricane Florence Emergency Grant Program for Postsecondary Students (Program) to provide
36 emergency scholarship grants in an amount up to one thousand two hundred fifty dollars (\$1,250)
37 per student to eligible postsecondary students who have suffered financial hardship due to the
38 damage and destruction from Hurricane Florence. An emergency scholarship grant shall be used
39 to mitigate the impact of Hurricane Florence on a student so that his or her postsecondary
40 education in a North Carolina institution of higher education continues uninterrupted. These
41 funds may be used to cover any expenses that support a student's continued enrollment, including
42 costs related to transportation, textbooks, tuition, fees, and living expenses.

43 For the purposes of this section, an "institution of higher education" is defined as a
44 constituent institution of The University of North Carolina, a community college under the
45 jurisdiction of the State Board of Community Colleges, or an eligible private postsecondary
46 institution, as defined in G.S. 116-280(3).

47 **SECTION 5.3.(b)** Applications; Eligibility. – By November 1, 2018, each institution
48 of higher education that is eligible for an allocation of funds pursuant to this section shall begin
49 accepting applications from eligible postsecondary students. An application for an emergency
50 scholarship grant must demonstrate that the student is an eligible postsecondary student by
51 including documentation that the student meets the following criteria:

- 1 (1) The student is enrolled in the institution of higher education at the time of
2 application.
- 3 (2) The student has a financial need related to the impact of Hurricane Florence.
- 4 (3) The student meets at least one of the following criteria:
 - 5 a. The institution of higher education in which the student was enrolled
6 as of September 10, 2018, is located in a county designated under a
7 major disaster declaration by the President of the United States under
8 the Stafford Act (P.L. 93-288) as a result of Hurricane Florence.
 - 9 b. The student resided, as of September 10, 2018, temporarily or
10 permanently, in a county designated under a major disaster declaration
11 by the President of the United States under the Stafford Act (P.L.
12 93-288) as a result of Hurricane Florence.

13 **SECTION 5.3.(c)** Award of Grants. – Within the funds available to an institution of
14 higher education in accordance with this section, an institution shall award an emergency
15 scholarship grant to an eligible postsecondary student within two weeks of the receipt of the
16 application, or as soon as otherwise practicable, in an amount of up to one thousand two hundred
17 fifty dollars (\$1,250) based on the information provided in the student's application. An
18 institution of higher education may establish priority in the award of emergency scholarship
19 grants to eligible postsecondary students based on the funds available and the pool of applicants,
20 including giving priority to students who have demonstrated the greatest financial need. If no
21 priority in the award of funds is established, the emergency scholarship grants shall be awarded
22 in the order in which applications are received. If the institution of higher education has
23 unexpended funds remaining after the award of the initial emergency scholarship grants, the
24 institution may increase the award to an eligible postsecondary student who previously received
25 funds or solicit additional applications from eligible postsecondary students, provided that the
26 award to an individual student does not exceed one thousand two hundred fifty dollars (\$1,250)
27 for each academic semester in which funds are awarded.

28 **SECTION 5.3.(d)** Reimbursement for Losses Covered by Other Funds. – An eligible
29 postsecondary student who receives an emergency scholarship grant under the Program shall use
30 best efforts and take all reasonable steps to obtain alternative funds that cover the losses or needs
31 for which the emergency scholarship grant funds are provided, including funds from insurance
32 policies in effect and available federal aid. If the student obtains alternative funds, the student
33 shall remit the amount of the emergency scholarship grant covered by the alternative funds to the
34 institution of higher education. A student is not required to remit any amount in excess of the
35 funds provided to the student.

36 **SECTION 5.3.(e)** Funds for UNC Constituent Institutions. – Of the funds allocated
37 to the Board of Governors of The University of North Carolina from the Hurricane Florence
38 Disaster Recovery Fund for the 2018-2019 fiscal year, the sum of two million dollars
39 (\$2,000,000) in nonrecurring funds shall be allocated by the Board of Governors to constituent
40 institutions of The University of North Carolina for the purpose of providing emergency
41 scholarship grants to eligible postsecondary students in accordance with the Program. The Board
42 of Governors shall prioritize the allocation of funds based on the impact of Hurricane Florence
43 on enrolled students to the following constituent institutions:

- 44 (1) A constituent institution located in a county designated under a major disaster
45 declaration by the President of the United States under the Stafford Act (P.L.
46 93-288) as a result of Hurricane Florence.
- 47 (2) A constituent institution that is not located a county designated under a major
48 disaster declaration by the President of the United States under the Stafford
49 Act (P.L. 93-288) as a result of Hurricane Florence but has an eligible
50 postsecondary student enrolled at the institution who (i) resides, temporarily
51 or permanently, in a county designated under a major disaster declaration by

1 the President of the United States under the Stafford Act (P.L. 93-288) as a
2 result of Hurricane Florence or (ii) has transferred to the institution due to the
3 damage and destruction caused by Hurricane Florence.

4 Constituent institutions allocated funds under this subsection shall have discretion to
5 establish criteria for the eligibility of postsecondary students in addition to the criteria required
6 by this section. However, the Board of Governors shall not establish additional eligibility
7 requirements for the administration of the Program to those set forth in this section.

8 **SECTION 5.3.(f)** Funds for Community Colleges. – Of the funds allocated to the
9 Community Colleges System Office from the Hurricane Florence Disaster Recovery Fund for
10 the 2018-2019 fiscal year, the sum of five million dollars (\$5,000,000) in nonrecurring funds
11 shall be allocated by the State Board of Community Colleges to community colleges for the
12 purpose of providing emergency scholarship grants to eligible postsecondary students in
13 accordance with the Program. The State Board of Community Colleges shall prioritize the
14 allocation of funds based on the impacts of Hurricane Florence on enrolled students to the
15 following community colleges:

- 16 (1) A community college located in a county designated under a major disaster
17 declaration by the President of the United States under the Stafford Act (P.L.
18 93-288) as a result of Hurricane Florence.
- 19 (2) A community college that is not located in a county designated under a major
20 disaster declaration by the President of the United States under the Stafford
21 Act (P.L. 93-288) as a result of Hurricane Florence but has an eligible
22 postsecondary student enrolled at the community college who (i) resides,
23 temporarily or permanently, in a county designated under a major disaster
24 declaration by the President of the United States under the Stafford Act (P.L.
25 93-288) as a result of Hurricane Florence or (ii) has transferred to the
26 community college due to the damage and destruction caused by Hurricane
27 Florence.

28 Community colleges allocated funds under this subsection shall have discretion to
29 establish criteria for the eligibility of postsecondary students in addition to the criteria required
30 by this section. However, the State Board of Community Colleges shall not establish additional
31 eligibility requirements for the administration of the Program to those set forth in this section.

32 **SECTION 5.3.(g)** Funds for Private Postsecondary Institutions. – Of the funds
33 allocated to the Board of Governors of The University of North Carolina from the Hurricane
34 Florence Disaster Recovery Fund for the 2018-2019 fiscal year, in addition to the two million
35 dollars (\$2,000,000) allocated to constituent institutions pursuant to subsection (e) of this section,
36 the sum of one million dollars (\$1,000,000) in nonrecurring funds shall be allocated to the State
37 Education Assistance Authority (Authority) to provide funds to eligible private postsecondary
38 institutions as defined in G.S. 116-280(3) for the purpose of providing emergency scholarship
39 grants to eligible postsecondary students in accordance with the Program. The Authority shall
40 prioritize the allocation of funds based on the impact of Hurricane Florence on enrolled students
41 to the following eligible private postsecondary institutions:

- 42 (1) A private postsecondary institution with a campus located in a county
43 designated under a major disaster declaration by the President of the United
44 States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence.
- 45 (2) A campus of a private postsecondary institution that is not located in a county
46 designated under a major disaster declaration by the President of the United
47 States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence
48 but has an eligible postsecondary student enrolled at the private postsecondary
49 institution who (i) resides, temporarily or permanently, in a county designated
50 under a major disaster declaration by the President of the United States under
51 the Stafford Act (P.L. 93-288) as a result of Hurricane Florence or (ii) has

1 transferred to the private postsecondary institution due to the damage and
2 destruction caused by Hurricane Florence.

3 Private postsecondary institutions allocated funds under this subsection shall have
4 discretion to establish criteria for the eligibility of postsecondary students in addition to the
5 criteria required by this section. However, the Authority shall not establish additional eligibility
6 requirements for the administration of the Program to those set forth in this section. A private
7 postsecondary institution receiving funds pursuant to this subsection shall report to the Authority
8 on the implementation of the Program, including the information required for the report under
9 subsection (h) of this section.

10 **SECTION 5.3.(h)** Reporting Requirements. – By April 1, 2019, the Board of
11 Governors of The University of North Carolina, the State Board of Community Colleges, and the
12 Authority shall report to the chairs of the House of Representatives Committee on Appropriations
13 and the Senate Appropriations/Base Budget Committee, the Joint Legislative Education
14 Oversight Committee, Office of Recovery and Resiliency in the Department of Public Safety,
15 and to the Fiscal Research Division of the General Assembly on the implementation of the
16 Program at the institutions of higher education that received funds pursuant to this section,
17 including the number and type of institutions of higher education that were allocated funds, the
18 amount of funds allocated to each institution, the number of emergency scholarship grants
19 awarded to students and the amount of those grants, the use of emergency scholarship grant funds
20 by eligible postsecondary students, any funds reimbursed to institutions due to coverage of losses
21 by alternative funds, and any remaining funds available for awards in subsequent semesters.

22 23 **BEHAVIORAL HEALTH SERVICES**

24 **SECTION 5.4.(a)** The following definitions apply in this section:

- 25 (1) DMH/DD/SAS. – The Division of Mental Health, Developmental
26 Disabilities, and Substance Abuse Services within the Department of Health
27 and Human Services.
- 28 (2) Federally declared disaster area. – Any county designated under a major
29 disaster declaration by the President of the United States under the Stafford
30 Act (P.L. 93-288) as a result of Hurricane Florence.
- 31 (3) LME/MCO. – As defined in G.S. 122C-3.
- 32 (4) Qualifying LME/MCO. – An LME/MCO with a catchment area that includes
33 at least one federally declared disaster area.

34 **SECTION 5.4.(b)** It is the intent of the General Assembly to support individuals and
35 families experiencing distress as a result of Hurricane Florence by meeting the increased demand
36 for behavioral health services in the counties most impacted by Hurricane Florence. To that end,
37 funds allocated in this act from the Hurricane Florence Disaster Recovery Fund to the Department
38 of Health and Human Services, Division of Mental Health, Developmental Disabilities, and
39 Substance Abuse Services, to increase single-stream funding, shall be allocated by
40 DMH/DD/SAS among LME/MCOs with a catchment area that includes at least one federally
41 declared disaster area. DMH/DD/SAS shall determine the basis for allocating these funds among
42 qualifying LME/MCOs. Qualifying LME/MCOs shall not use these allocated funds for any
43 purpose other than to fund mental health, developmental disabilities, and substance use disorder
44 services that are (i) for individuals residing in a federally declared disaster area who have been
45 determined by the LME/MCO to be in need of these services as a result of Hurricane Florence,
46 and (ii) not reimbursable under the Medicaid program. Each qualifying LME/MCO shall offer at
47 least the same level of single-stream service utilization required by Section 11F.2(b) of S.L.
48 2017-57, as amended, increased proportionately by the amount of single-stream funding
49 allocated to the LME/MCO pursuant to this section.

50 **SECTION 5.4.(c)** Pursuant to its authority under G.S. 108A-54(e), the Department
51 of Health and Human Services shall manage, within the Medicaid budget, any increased demand

1 for behavioral health services reimbursable under the Medicaid program for individuals residing
2 in a federally declared disaster area.

4 **ASSISTANCE FOR UNAFFILIATED COMMUNITY HOSPITALS**

5 **SECTION 5.5.(a)** It is the intent of the General Assembly to assist unaffiliated
6 community hospitals, especially those serving rural areas, in covering the increase in nursing and
7 other staffing expenses related to Hurricane Florence. To that end, funds allocated in this act
8 from the Hurricane Florence Disaster Recovery Fund to the Department of Health and Human
9 Services, Division of Central Management and Support, Office of Rural Health, shall be allocated
10 to the North Carolina Hospital Foundation (NCHF), a nonprofit corporation. NCHF shall use
11 these funds to award grants, on a basis determined by NCHF, to unaffiliated community hospitals
12 located in counties designated under a major disaster declaration by the President of the United
13 States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence, with priority
14 consideration given to unaffiliated community hospitals serving rural areas. Grant recipients shall
15 not use these funds for any purpose other than to (i) offset the cost of increased nursing and other
16 staffing expenses related to Hurricane Florence, and, after this purpose is fulfilled, (ii) assist the
17 community hospital with other relief related to Hurricane Florence. Grant recipients are
18 prohibited from using these funds to supplant existing funds for community recovery related to
19 Hurricane Florence. Notwithstanding Section 3.1(c) of S.L. 2018-134, any funds allocated
20 pursuant to this section that have not been expended or encumbered as of June 30, 2019, shall
21 revert to the Hurricane Florence Disaster Recovery Fund.

22 **SECTION 5.5.(b)** By July 15, 2019, each unaffiliated community hospital receiving
23 grant funding from NCHF pursuant to subsection (a) of this section shall submit to the Office of
24 Rural Health and the Office of Recovery and Resiliency in the Department of Public Safety a
25 written report of all expenses funded by State appropriations. By December 1, 2019, the Office
26 of Rural Health shall submit a written report to the Joint Legislative Oversight Committee on
27 Health and Human Services and the Fiscal Research Division on the use of the funds allocated
28 pursuant to subsection (a) of this section.

30 **EXTEND 90-DAY TRANSITION PERIOD IN CERTAIN COUNTIES/CHILD CARE** 31 **SUBSIDY**

32 **SECTION 5.6.(a)** Notwithstanding any other provision of law or rule to the contrary,
33 the Department of Health and Human Services, Division of Child Development and Early
34 Education, shall extend the transition period from 90 days to 120 days for a child care subsidy
35 recipient who is otherwise eligible for child care subsidy and resides in an area damaged or
36 impacted by Hurricane Florence if the recipient is (i) temporarily absent from employment,
37 training, or an educational program with arrangements to continue the same employment,
38 training, or educational program, (ii) unemployed but seeking employment, or (iii) no longer
39 attending a training or educational program but is seeking employment or to resume attendance
40 at a training or educational program.

41 **SECTION 5.6.(b)** This Section applies only (i) in the counties designated under a
42 major disaster declaration by the President of the United States under the Stafford Act (P.L.
43 93-288) as a result of Hurricane Florence and (ii) for the 2018-2019 fiscal year.

45 **CREATION OF OFFICE OF RECOVERY AND RESILIENCY/GRANTS**

46 **SECTION 5.7.(a)** The Office of Recovery and Resiliency (Office) is created in the
47 Department of Public Safety. The Office shall execute multi-year recovery and resiliency projects
48 and administer funds provided by the Community Development Block Grant Disaster Recovery
49 program. The Secretary may reassign up to 15 existing positions of the Division of Emergency
50 Management to the Office. In addition, the Secretary may create up to 30 new three-year
51 time-limited positions. The reassigned positions assigned to the Office shall retain the

1 employment status of the positions at the time of the reassignment after implementation of this
2 act is completed. The three-year time-limited positions created in this section shall be temporary
3 positions and are exempt from the provision of the State Human Resources Act, Chapter 126 of
4 the General Statutes, except Articles 6 and 7 of that Chapter. The Office will provide general
5 disaster recovery coordination and public information; citizen outreach and application case
6 management; audit, finance, compliance, and reporting on disaster recovery funds; and program
7 and construction management services. The Office shall also contract for services from vendors
8 specializing in housing, construction, and project management services.

9 **SECTION 5.7.(b)** The Office shall develop and administer a grant program for
10 financially distressed local governments to assist with recovery capacity. The grants shall cover
11 the salaries, benefits, and operating costs for up to two three-year positions and may also be used
12 to purchase one vehicle per community as necessitated by the individual circumstances of each
13 community. The Office shall also, in consultation with the Local Government Commission,
14 develop and administer a one-time emergency fund for local governments in disaster-affected
15 areas that need immediate cash flow assistance. These funds shall be used to meet local
16 government debt service obligations, to meet payroll obligations for local governments, and to
17 meet vendor payments where nonpayment would result in negative financial outcome.

18 **OFFICE OF RECOVERY AND RESILIENCY REPORTS**

19 **SECTION 5.8.(a)** Beginning January 1, 2019, the Office of Recovery and Resiliency
20 (Office) shall provide quarterly reports to the Director of the Budget, the standing Appropriations
21 Committees of the Senate and the House of Representatives, and the Fiscal Research Division
22 on the use of State disaster recovery and assistance funds expended from the Hurricane Florence
23 Recovery Fund. The reports shall summarize oversight activities and the results achieved as well
24 as all of the following:

- 25 (1) Expenditures by program and by source of funds.
- 26 (2) Expenditures required to receive federal grants.
- 27 (3) Federal funding provided to the State to refund certain federally related
28 spending.
- 29 (4) Actual and projected State spending data including time lines and milestones.
- 30 (5) State spending data classified by disaster phase to include preparedness,
31 response, mitigation, and recovery.
- 32 (6) Total State spending data by agency and by program.
- 33 (7) Total State spending by program and county, where practicable.
- 34 (8) Location and job responsibilities of all time-limited State positions created
35 under this act or paid for with federal funds received as a result of Hurricane
36 Florence.
- 37

38 **SECTION 5.8.(b)** In addition to the quarterly reports required under subsection (a)
39 of this section and beginning January 1, 2020, the Office shall provide annual reports that compile
40 the information contained in the quarterly reports. The annual reports shall be submitted to the
41 entities required under subsection (a) of this section.

42 **NATIONAL GUARD MEMBERS/REEMPLOYMENT**

43 **SECTION 5.9.** G.S. 127A-202(a) reads as rewritten:

44 "(a) Release From State Duty. – Upon an employee's release from state duty, the
45 employee's previous employer shall reemploy the employee in the employee's previous position
46 within five days of the employee's release from state duty. If the employee's state duty lasted 30
47 days or less, the employee shall make written application to the employee's previous employer
48 for reemployment no later than the first regularly scheduled work period ~~which that~~ begins ~~eight~~
49 ~~hours~~ 24 hours after the employee has safely traveled from the place of state service to the
50 employee's residence. If the employee's state duty lasted more than 30 days, the employee shall
51

1 make written application to the employee's previous employer for reemployment within 14 days
2 of the employee's release from state duty. If the employee is still qualified for the employee's
3 previous employment, the employee shall be restored to the employee's previous position or to a
4 position of like seniority, status, and salary, unless the employer's circumstances ~~now~~ at that time
5 make the restoration unreasonable. If the employee is no longer qualified for the employee's
6 previous employment, the employee shall be placed in another ~~position~~, position for which the
7 employee is ~~qualified~~, qualified and ~~which that~~ will give the employee appropriate seniority,
8 status, and salary, unless the employer's circumstances ~~now~~ at that time make the placement
9 unreasonable."

10 11 **NORTH CAROLINA NATIONAL GUARD/OVERPAYMENT OF FUNDS**

12 **SECTION 5.10.** Notwithstanding G.S. 143-64.80, the Office of State Controller
13 shall waive any outstanding debt arising from, or as a result of, any State active duty performed
14 by North Carolina National Guard Service members in response to Hurricane Matthew in 2016
15 due to overpayment of state active duty salary. The Department of Public Safety shall reimburse
16 those North Carolina National Guard Service members who have already reimbursed the State
17 for such overpayments.

18 19 **HURRICANE FLORENCE AGRICULTURAL DISASTER PROGRAM OF 2018**

20 **SECTION 5.11.(a)** The General Assembly finds that:

- 21 (1) The historic flood and other impacts of Hurricane Florence in September of
22 2018 caused unprecedented damage to the State and its people, with particular
23 devastating statewide impacts on North Carolina farmers and the State's
24 agriculture industry.
- 25 (2) The State has over 50,000 farms across over 8 million acres, which generates
26 87 billion dollars of economic impact annually and represents the State's
27 number one industry, making it a vital component to a healthy state economy.
- 28 (3) The total loss of crops as a result of the flooding is estimated at over a billion
29 dollars and the estimated federal crop insurance payments will only cover a
30 percentage of the total crop loss.
- 31 (4) The federal crop insurance program as authorized in the 2014 Farm Bill is an
32 inadequate method of indemnification as compared to traditional forms of
33 insurance and is not sufficient to aid farmers with substantial losses due to
34 catastrophic events of nature.
- 35 (5) The State has a significant public interest to prevent the economic collapse of
36 many of the State's farms, which could cause a severe disruption in the State's
37 economy and food supply chain.
- 38 (6) The most effective program for administration of financial assistance is
39 two-fold. The first category shall be based on information available from the
40 Farm Service Agency ("FSA") within the United States Department of
41 Agriculture ("USDA"). The second category, for producers who do not
42 participate in FSA programs, shall be based on verifiable documentation from
43 producers.

44 **SECTION 5.11.(b)** For purposes of this section, the following definitions apply:

- 45 (1) Agricultural commodity. – Apples, barley, corn, cotton, dry peas, flax, forage,
46 freezing and canning peas, grain sorghum, grapes, hay, industrial hemp, native
47 grass, nursery crops, nuts, oats, peanuts, potatoes, rye, soybeans, sunflowers,
48 sweet corn, tobacco, tomatoes, wheat, specialty crops and other fruits and
49 vegetables, and aquacultural species propagated or reared in a controlled or
50 selected environment. An agricultural commodity does not include stored
51 grain.

- (2) Department. – The Department of Agriculture and Consumer Services.
- (3) Fund. – The Hurricane Florence Agricultural Disaster Fund.
- (4) Livestock. – Cattle, sheep, swine, goats, farmed cervids, and bison. Livestock shall include horses, mules, or other equines only if they are used for production of agricultural commodities.
- (5) Person. – Any individual, trust, estate, partnership, receiver, association, company, limited liability company, corporation, or other entity or group.
- (6) Poultry. – Chickens, quail, or turkeys.
- (7) State. – The State of North Carolina.
- (8) USDA. – The United States Department of Agriculture.

SECTION 5.11.(c) The Hurricane Florence Disaster Fund is established as a special fund in the Department of Agriculture and Consumer Services. The Fund consists of allocations directed by the General Assembly and contributions and grants from public or private sources. The Fund shall be used for a financial assistance program that provides assistance to farmers affected by Hurricane Florence. The Department may not use funds for administrative purposes. Earnings on the contributions and grants deposited in the Fund shall be credited to the Fund. The Fund shall expire upon the complete expenditure of funds allocated for the purposes specified herein.

SECTION 5.11.(d) To be eligible for financial assistance for losses of agricultural commodities, a person must satisfy all of the following criteria:

- (1) The person experienced a verifiable loss of agricultural commodities as a result of Hurricane Florence, and the person's farm is located in a North Carolina county that is or becomes any of the following:
 - a. Designated under a major disaster declaration by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence.
 - b. Included in either a Secretarial Disaster Declaration for Hurricane Florence issued by the United States Secretary of Agriculture or the Presidential Federal Emergency Management Agency Declaration for Hurricane Florence.
- (2) The agricultural commodity was planted on or before September 13, 2018, or, for aquaculture commodities, the commodities were being raised on or before September 13, 2018.

SECTION 5.11.(e) A person seeking financial assistance for losses of agricultural commodities shall submit to the Department a Form 578 on file with the USDA Farm Service Agency or a form provided by the Department for reporting acreage or plantings of crops not typically reported on Form 578, along with any other documentation deemed appropriate by the Department, on or before December 10, 2018. For nursery crops, fruit-bearing trees and bushes, and specialty crops where the survival level is not immediately known, the Department may extend this deadline to May 1, 2019, upon written request by the person received on or before December 10, 2018, and upon approval by the Department. A person receiving assistance under this program must provide a signed affidavit, under penalty of perjury, certifying that each fact of the loss presented by the person is accurate.

SECTION 5.11.(f) To be eligible for financial assistance for losses of livestock or poultry, a person must first qualify for and receive payment through the USDA Livestock Indemnity Program and be a participant in a livestock or poultry indemnity program administered by the USDA Farm Service Agency.

SECTION 5.11.(g) A person seeking financial assistance for losses of livestock or poultry shall submit documentation of loss and indemnity received from the USDA Livestock Indemnity Program, along with any other documentation deemed appropriate by the Department, to the Department on or before December 10, 2018. The Department may extend this deadline to

1 March 1, 2019, upon written request by the person received on or before December 10, 2018,
2 and upon approval by the Department. A person receiving assistance under this program must
3 provide a signed affidavit, under penalty of perjury, certifying that each fact of the loss presented
4 by the person is accurate.

5 **SECTION 5.11.(h)** The Department shall administer the financial assistance
6 program authorized by this section in accordance with the following criteria:

- 7 (1) In determining the payment calculation for agricultural commodities, the
8 Department shall use a formula based on acreage, county loss estimates, and
9 USDA National Agricultural Statistics Service averages, and any other
10 measure the Department deems appropriate. Funds shall be distributed based
11 on county averages for yields and State averages for price. Calculations shall
12 be based on county or State averages in price, whichever the Department
13 determines is appropriate.
- 14 (2) The payment calculation for livestock and poultry shall be based on twelve
15 and one-half percent (12.5%) of the total loss reported to the USDA Livestock
16 Indemnity Program.
- 17 (3) The Department shall gather all claim information, except from those
18 applicants granted a deadline extension, no later than December 10, 2018. The
19 Department shall, as closely as possible, estimate the amount of the
20 appropriation needed to be held in reserve for payments related to losses of
21 livestock, poultry, nursery, bush, tree, and specialty crops for which losses
22 will not be fully known or calculated. The Department shall set aside funds as
23 it deems appropriate based on the estimated percentage of these losses.
- 24 (4) Payments made under this program shall be made to the person who filed the
25 Form 578 or Department form for claims related to agricultural commodity
26 losses, or the person who received payment from the USDA Livestock
27 Indemnity Program for claims related to livestock or poultry losses.

28 **SECTION 5.11.(i)** The Department may audit the financial and other records of each
29 recipient of funds in order to ensure that the funds are used in accordance with the requirements
30 of this program. The Department may require any documentation or proof it considers necessary
31 to efficiently administer this program, including the ownership structure of each entity and the
32 social security numbers of each owner. In order to verify losses, the Department may require the
33 submission of dated, signed, and continuous records. These records may include, but are not
34 limited to, commercial receipts, settlement sheets, warehouse ledger sheets, pick records, load
35 summaries, contemporaneous measurements, truck scale tickets, contemporaneous diaries,
36 appraisals, ledgers of income, income statements of deposit slips, cash register tape, invoices for
37 custom harvesting, u-pick records, and insurance documents.

38 **SECTION 5.11.(j)** Awarded funds shall be used for agricultural production expenses
39 and recovery of losses due to the impacts of Hurricane Florence. The Department shall develop
40 guidelines and procedures to ensure that funds are expended for the purposes allowed by this
41 section, and may require any documentation it determines necessary to verify the appropriate use
42 of financial assistance awards including receipts. All distributed funds are subject to federal and
43 State income tax.

44 **SECTION 5.11.(k)** If the Department determines that a person who received
45 financial assistance provided inaccurate information, then the person shall refund the entire
46 amount of the financial assistance. If the person does not refund the appropriate amount, the
47 North Carolina Department of Revenue shall collect the money from the person pursuant to
48 G.S. 105-242.

49 **SECTION 5.11.(l)** This section expires January 1, 2024.

50
51 **COASTAL DEBRIS CLEANUP**

1 **SECTION 5.12.** Funds allocated in this act to the Department of Environmental
2 Quality for coastal debris cleanup will be used to provide a grant to the North Carolina Coastal
3 Federation to contract with third parties to remove and properly dispose of marine debris
4 deposited in and adjacent to the waters of the State by Hurricane Florence. The Federation shall
5 not use any of the funds allocated to it by this section for administrative or overhead costs. The
6 Federation shall report on the use of the funds to the Joint Legislative Oversight Committee on
7 Agriculture and Natural and Economic Resources, the Office of Recovery and Resiliency in the
8 Department of Public Safety, and the Fiscal Research Division on or before April 1, 2019.

9 10 **LIVING SHORELINES PERMIT REVISIONS**

11 **SECTION 5.13.** The Coastal Resources Commission shall adopt temporary rules
12 pursuant to G.S. 150B-21.1 to revise the Commission's general permit for the construction of
13 riprap sills for wetland enhancement in estuarine and public trust waters (15A NCAC 07H .2700)
14 (the Living Shorelines General Permit) in order to make the general permit consistent with the
15 United States Army Corps of Engineers Wilmington District regional general permit for living
16 shorelines. The temporary rules adopted by the Commission shall not include any changes to the
17 Living Shorelines General Permit that would delay or otherwise alter general permits issued by
18 the Commission for other types of coastal erosion control structures, including bulkheads and
19 other hardened structures.

20 21 **FERRY FEES WAIVER/SECRETARY OF TRANSPORTATION**

22 **SECTION 5.14.** G.S. 136-82 is amended by adding a new subsection to read:

23 "**(b2) Emergency Suspension of Tolling. – The Secretary of Transportation may suspend**
24 **the collection of tolls for any ferry route serving an emergency area, as declared pursuant to**
25 **G.S. 166A-19.20 or G.S. 166A-19.22, for the duration of the state of emergency."**

26 27 **DOT REPORTING REQUIREMENTS**

28 **SECTION 5.15.** The Department of Transportation shall report within 30 days of
29 the end of each calendar quarter to the Office of Recovery and Resiliency in the Department of
30 Public Safety on the use of the funds allocated from the Hurricane Florence Disaster Recovery
31 Fund and all matching funds received from the federal government. The report shall contain all
32 of the following information itemized by DOT Highway Division and county:

- 33 (1) Project scope and ranking by priority; total cost; amount spent (federal and
34 state); project status including percentage complete and timeline; the
35 responsible entity, including names of private contractors; and any issues
36 encountered with overall project management and delivery.
- 37 (2) The cash balance of the fund, the amount of funds expended, encumbered, and
38 unencumbered.

39 40 **CONSTRUCTION FEE MORATORIUM**

41 **SECTION 5.16.(a)** Notwithstanding any other provision of law, for any single
42 commercial or residential project, the Department of Insurance, counties, and cities shall not
43 impose any fee associated with a permit, inspection, or certificate of occupancy required by law
44 for construction, reconstruction, alteration, repair, movement to another site, removal, or
45 demolition of a manufactured home, building, dwelling, or structure damaged as a direct result
46 of Hurricane Florence.

47 **SECTION 5.16.(b)** The moratorium provided in subsection (a) of this section applies
48 in North Carolina counties designated under a major disaster declaration by the President of the
49 United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence. A person is
50 allowed a refund of any fee assessed and collected that is subject to the moratorium imposed by

1 this section. The Department of Insurance, counties, and cities shall post a notice of the
2 availability of a refund on their Web sites.

3 **SECTION 5.16.(c)** This section is effective when it becomes law and applies to
4 applications for issuance of a permit dated on or after September 13, 2018. This section expires
5 December 31, 2018.

6 7 **EXCEPTION TO CONFIDENTIALITY OF TAX INFORMATION**

8 **SECTION 5.17.(a)** G.S. 105-259(b) is amended by adding a new subdivision to
9 read:

10 "(55) To provide data drawn from an individual taxpayer's tax information to the
11 Office of Recovery and Resiliency for the purpose of facilitating such a
12 taxpayer's application for any means-tested federal or state disaster relief
13 following a federal major disaster declaration; provided, however, that no
14 federal tax information may be disclosed under this subpart unless such a
15 disclosure is permitted by section 6103 of the Code."

16 **SECTION 5.17.(b)** The Department of Revenue and the Office of Recovery and
17 Resiliency shall, within a reasonable time following the effective date of this act but not later
18 than June 30, 2019, enter into a confidential information sharing agreement settling data transfer
19 protocols, required security measures, audit mechanisms, and other issues necessary to develop
20 and implement the information exchange provided in subsection (a) of this section.

21 22 **EXPAND ELIGIBILITY FOR DISASTER HOUSING ASSISTANCE**

23 **SECTION 5.18.** Notwithstanding G.S. 122E-6(a) and (b) and the provisions of
24 G.S. 122E-6 relating to income limitations of individuals and families, funds allocated in this act
25 to the North Carolina Housing Finance Agency for eligible projects under Chapter 122E of the
26 General Statutes in counties impacted by Hurricane Matthew or Hurricane Florence may be used
27 to assist individuals and families with household incomes that equal, but do not exceed, one
28 hundred percent (100%) of the local area's median income, adjusted for family size, pursuant to
29 the most recent available data from the United States Department of Housing and Urban
30 Development.

31 32 **AUDIT OF HURRICANE FLORENCE DISASTER RECOVERY FUND**

33 **SECTION 5.19.** The State Auditor shall conduct a preliminary financial and
34 performance audit of the Hurricane Florence Disaster Recovery Fund created in Section 3.1 of
35 S.L. 2018-134 (Fund) no later than March 1, 2019. The State Auditor shall conduct additional
36 periodic financial and performance audits of the Fund and a final financial and performance audit
37 as requested by the Director of the Budget and the General Assembly.

38 39 **DEPARTMENT OF INSURANCE REPORTING**

40 **SECTION 5.20.** The Department of Insurance shall report to the Office of Recovery
41 and Resiliency in the Department of Public Safety and the Fiscal Research Division on the funds
42 allocated to it by this act for grants to volunteer fire departments. The report shall include the
43 number of applications received, the number of grantees denied funding, and the amounts
44 awarded to each grantee. The Department shall report within 30 days of the end of each calendar
45 quarter until all funds allocated to the Department have been expended or have reverted.

46 47 **INVOLVEMENT OF HISTORICALLY UNDERUTILIZED BUSINESSES**

48 **SECTION 5.21.** It is the intent of the General Assembly that, during this time of
49 rebuilding and relief efforts, each State agency should strive to acquire goods and services from
50 historically underutilized business vendors, whether directly as principal contractors or indirectly
51 as subcontractors or otherwise.

1
2 **LEGISLATIVE REVIEW OF FEDERAL FUNDING AND REMAINING UNMET**
3 **NEEDS**

4 **SECTION 5.22.** It is the intent of the General Assembly to review in 2018 and 2019
5 the funds appropriated by Congress for disaster relief and to consider actions needed to address
6 any remaining unmet needs. It is also the intent of the General Assembly to review the adequacy
7 of the measures funded by Section 2.1 of this act at that time.

8
9 **PROHIBITION ON USE OF STATE FUNDS TO CONSTRUCT CERTAIN**
10 **RESIDENCES**

11 **SECTION 5.23.(a)** No State funds appropriated in this act may be expended for the
12 construction of any new residence within the 100-year floodplain unless the construction is in an
13 area regulated by a unit of local government pursuant to a floodplain management ordinance and
14 the construction complies with the ordinance. For purposes of this act, the term "100-year
15 floodplain" means any area subject to inundation by the one percent (1%) annual chance flood
16 event, as indicated on the most recent Flood Insurance Rate Map prepared by the Federal
17 Emergency Management Agency under the National Flood Insurance Program.

18 **SECTION 5.23.(b)** Homeowners in the 100-year floodplain who receive
19 homeowner's housing assistance pursuant to this act shall have in effect federal flood insurance,
20 if available, as a precondition to receipt of State homeowner's housing assistance for losses
21 resulting from future flooding.

22 **SECTION 5.23.(c)** Funds loaned to small and mid-sized businesses shall be used
23 only for eligible purposes under the Small Business Administration (SBA) disaster loan
24 assistance program, as described in the federal disaster declarations designated by the SBA as
25 NC 14911 and NC 14912. Payments for economic losses shall be limited to documented business
26 expenses necessary for the continued operation of the business.

27
28 **SUBROGATION BY STATE OF RIGHT TO INSURANCE COVERAGE FOR**
29 **DAMAGED HOMES PURCHASED OR RELOCATED UNDER THE HAZARD**
30 **MITIGATION PROGRAM**

31 **SECTION 5.24.** If a person's home is relocated or purchased with funds from the
32 Hazard Mitigation Grant Program or the State Acquisition and Relocation Fund, the State
33 Emergency Response and Disaster Relief Fund is subrogated to the person's rights under any
34 insurance coverage for the damage to the home, and any monies received from the insurance
35 coverage shall be paid to the State Emergency Response and Disaster Relief Fund. The Division
36 of Emergency Management shall ensure that those potentially affected by this section are notified
37 of, and adhere to, its requirements.

38
39 **PART VI. MISCELLANEOUS PROVISIONS**

40
41 **COMMITTEE REPORT**

42 **SECTION 6.1.** The document titled N.C. Senate Committee on Appropriations/Base
43 Budget and N.C. House of Representatives Committee on Appropriations Committee Report on
44 Hurricane Florence Disaster Recovery Fund for Senate Bill 3 and House Bill 3 (Committee
45 Report) dated October 15, 2018, which was distributed in the Senate and the House of
46 Representatives and used to explain this act, shall indicate action by the General Assembly on
47 this act and shall, therefore, be used to construe this act, and for these purposes shall be
48 considered a part of this act and, as such, shall be printed as a part of the Session Laws. If the
49 Committee Report conflicts with this act, the act prevails.

50
51 **EFFECT OF HEADINGS**

1 **SECTION 6.2.** The headings to the parts, subparts, and sections of this act are a
2 convenience to the reader and are for reference only. The headings do not expand, limit, or define
3 the text of this act, except for effective dates referring to a part or subpart.
4

5 **SEVERABILITY CLAUSE**

6 **SECTION 6.3.** If any section or provision of this act is declared unconstitutional or
7 invalid by the courts, it does not affect the validity of this act as a whole or any part other than
8 the part so declared to be unconstitutional or invalid.
9

10 **PART VII. EFFECTIVE DATE**

11 **SECTION 7.1.** Except as otherwise provided, this act is effective when it becomes
12 law.