

**§ 136-44.2E. Transportation Emergency Reserve.**

(a) Creation. – The Transportation Emergency Reserve (Emergency Reserve) is established as a special fund in the Department of Transportation.

(b) Funding; Use of Funds. – Subject to subsection (d) of this section, no later than July 30 of each fiscal year, the Department of Transportation shall transfer from the Highway Fund to the Emergency Reserve the sum of one hundred twenty-five million dollars (\$125,000,000), and these funds are hereby appropriated for expenses related to an emergency. For purposes of this section, the term "emergency" has the same meaning as in G.S. 166A-19.3.

(c) Access to Funds. – The Department may only use funds in the Emergency Reserve after the President of the United States issues a declaration under the Stafford Act (42 U.S.C. §§ 5121 - 5207) that a major disaster exists in the State. The Secretary of Transportation shall ensure all funds in the Emergency Reserve are accessed and used pursuant to this section, and in a manner that ensures to the extent practicable that the funds are eligible for federal reimbursement or cost sharing with the federal funds.

(d) Limitation on Funds. – The total funds in the Emergency Reserve shall not exceed the sum of one hundred twenty-five million dollars (\$125,000,000). If a transfer under subsection (b) of this section would cause the Emergency Reserve to exceed this limitation, the amount transferred shall equal the difference between one hundred twenty-five million dollars (\$125,000,000) and the amount of funds in the Emergency Reserve on the transfer date set forth in subsection (b) of this section.

(e) Emergency Reserve Report. – No later than February 1, 2025, and annually thereafter for any year expenditures are made from the Emergency Reserve, the Department of Transportation shall submit a report summarizing expenditures from the Emergency Reserve to the House of Representatives Appropriations Committee on Transportation, the Senate Appropriations Committee on the Department of Transportation, the chairs of the House and Senate Transportation Committees, and the Fiscal Research Division. The report shall include a list of the projects receiving funds during the previous fiscal year from the Emergency Reserve. The list shall include for each project a description of the project, the amount of the funds utilized for the project, the anticipated total cost of the project, project status, any recommendations to adjust the minimum amount of funds needed in the Emergency Reserve, and any additional information deemed relevant.

(f) Notification of Governor; Reimbursement. – The Secretary shall notify the Governor within 24 hours of determining that anticipated emergency expenses by the Department under this section will exceed the funds in the Emergency Reserve. Upon notification, the Governor shall immediately proceed under G.S. 166A-19.20(e). Federal reimbursements for funds expended in relation to a major disaster, declared in accord with subsection (c) of this section, shall be used to reimburse expenditures from the following accounts in order of priority:

- (1) Emergency Reserve, subject to the limitation in subsection (d) of this section.
- (2) Reserve for General Maintenance in the Highway Fund.
- (3) Savings Reserve. (2019-251, s. 1.3(b); 2020-69, s. 5; 2020-91, s. 4.7(a), (b); 2024-15, s. 1.)