Report to the North Carolina General Assembly
Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division

Second Annual Report on the Emergency Infrastructure Bridge Loan Program for Commercial Underground Storage Tanks (USTs)

April 1, 2026

Division of Waste Management

NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY

Pursuant to S.L. 2024-53, Section 4C.8.(k)

Table of Contents

A. Executive Summary

In accordance with Session Law 2024-53, *s.* 4C.8.(k), beginning April 1, 2025 and until all allocated funds have been repaid or otherwise accounted for, the Department of Environmental Quality (DEQ) Division of Waste Management is submitting annual reports to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on implementation of the requirements of Section 4C.8 of S.L. 2024-53, including the total amount of loans awarded from the program, the recipient of each loan awarded, the total amount awarded to each recipient, and the total amount of loan funding that has been repaid. These requirements are fulfilled in the following report, which is the **second** annual report.

This report includes:

- An update on outreach efforts with stakeholders.
- An update on the development of permanent rules.
- An update on the status of the loan program.
- Recommendations to the General Assembly.

B. Background

North Carolina S.L. 2024-53, s. 4C.8 (pgs. 20-21) establishes a new program under the DEQ Division of Waste Management that allocates $22,000,000 from the Helene Fund in non-recurring funds to rapidly distribute emergency financial assistance, in the form of bridge loans, to owners or operators of commercial underground storage tanks and thereby supply owners or operators with the short-term financial liquidity necessary to immediately conduct emergency services in the affected area from Hurricane Helene, pending federal disaster relief or payment or reimbursement by insurance. $20,000,000.00 was reallocated to other needs leaving the Bridge Loan Fund with $2,000,000.00. Note that there are additional applicable requirements for this program under Sections 1, 2, and 3 of the Session Law.

S.L. 2024-53, s. 4C.8 states:

SECTION 4C.8.(a) Allocation. – Of the funds appropriated from the Helene Fund to the Department of Environmental Quality by Section 2.1(a) of this act, the sum of twenty-two million dollars ($22,000,000) in nonrecurring funds shall be used by the Department of Environmental Quality, Division of Waste Management, for purposes consistent with the loan program established by this section. Funds allocated by this section that have not been expended or encumbered by October 31, 2028, shall revert to the Savings Reserve established in G.S. 143C-4-2. Repayments of all loans made under the program shall be remitted by the Division of Waste Management to the Office of State Budget and Management to be placed into the Savings Reserve.

SECTION 4C.8.(b) Definitions. – The definitions under Part 2A of Article 21A of Chapter 143 of the General Statutes and the following definitions apply in this section: (1) Department. – The Department of Environmental Quality. (2) (3) (4) Division. – Division of Waste Management. Emergency services. – Infrastructure repair and testing related to commercial underground storage tanks located in the affected area, including line and tank testing, product pump out and disposal, and repair or replacement of any of the following: (i) aboveground piping, (ii) dispensers, and (iii) electronics. Federal disaster relief. – Grant or loan funding provided by a federal agency to an owner or operator for line and tank testing, product pump out and disposal, and repair or replacement of tank equipment due to damage precipitated by Hurricane Helene.

SECTION 4C.8.(c) Purpose. – The purpose of this section is to establish a program that enables the Division to rapidly distribute emergency financial assistance, in the form of bridge loans, to owners or operators of commercial underground storage tanks and thereby supply owners or operators with the short-term financial liquidity necessary to immediately conduct Session Law 2024-53 Senate Bill 743 Page 20 emergency services in the affected area, pending federal disaster relief or payment or reimbursement by insurance.

SECTION 4C.8.(d) Administration. – The Division shall be responsible for administering loans from the program.

SECTION 4C.8.(e) Eligibility; Use. – An owner or operator is eligible to apply for a loan under the program. Loans from the program may only be used by an owner or operator for (i) temporary financial liquidity as necessary to immediately conduct emergency services and until receipt of federal disaster relief or payment or reimbursement by insurance and (ii) any other purpose specifically provided by an act of the General Assembly.

SECTION 4C.8.(f) Limitations. – The following limitations apply to the program: (1) The amount of a loan from the program may not exceed the amount necessary to restore a commercial underground storage tank to operational capacity. (2) A loan from the program is available only to the extent that other funding sources for emergency services are not reasonably available to an owner or operator.

SECTION 4C.8.(g) Application. – An application for a loan from the program must be filed with, submitted on a form prescribed by, and contain the information required by, the Division. An applicant must submit any additional information requested by the Division to enable the Division to make a determination on the application.

SECTION 4C.8.(h) Review. – The Division must review all applications filed for a loan under this section on a rolling basis and shall prioritize those applications that the Division determines demonstrate the most immediate need. The Division's determination of need is conclusive.

SECTION 4C.8.(i) Award. – When the Division determines that an applicant is eligible for an award of a loan, the Division must send the applicant a letter of intent to award the loan. The letter of intent must set out any conditions the applicant must meet to receive the award. When the applicant satisfies the conditions set out in the letter of intent, the Division must send the applicant an offer to award the loan. The applicant must give the Division written notice of whether it accepts or rejects the offer. A loan is considered awarded when an offer to award the loan is issued.

SECTION 4C.8.(j) Terms. – A loan from the program is subject to all of the following: (1) (2) Interest rate. – The loan does not bear interest. Maturity. – The loan matures upon the earlier of (i) receipt of federal disaster relief by the owner or operator or (ii) June 30, 2030.

SECTION 4C.8.(k) Report. – The Division shall provide a report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division no later than April 1, 2025, and annually thereafter until all funds have been allocated, at which time the Division shall report annually until all allocated funds have been repaid or otherwise accounted for by the Division. The report required by this subsection shall contain, at a minimum, the following information concerning loans made under the program: (1) (2) (3) The total amount of loans awarded from the program. The recipient of each loan awarded, and the total amount awarded to each recipient. The total amount of loan funding that has been repaid.

SECTION 4C.8.(l) Rulemaking Exemption. – The Department shall adopt emergency rules to implement the provisions of this section. Temporary and permanent rules adopted to replace emergency rules adopted pursuant to this section are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes.

C. Program Activities and Outreach

DEQ created a new program under the Division of Waste Management's Underground Storage Tank Section to administer the requirements of S.L. 2024-53 and subsequent rulemaking for the Emergency Infrastructure Bridge Loan Program for Commercial Underground Storage Tanks (USTs). The program's webpage can be accessed at this link:

https://www.deq.nc.gov/about/divisions/waste-management/underground-storage-tanks-section/bridge-loan-program

This webpage has continued to be updated throughout program implementation as changes occurred. The webpage currently has the following information:

- an overview of the program and its purpose and applicability,
- a link to S.L. 2024-53,
- a link to 15A NCAC 01W, our permanent rules guiding the program
- a note that we are no longer accepting applications in accordance with our rules
- program contact information.

Program activities and outreach from April 1, 2025 through March 2026 include:

- Held semi-weekly meetings to monthly to discuss applications and the continued development of the program.
- Permanent rules became effective November 1, 2025.
- Continued outreach efforts to a total of 3,358 facilities via multiple formats in the disaster declared counties as summarized in Table 1 below, including two separate mailing campaigns in May and October.
- Conducted site visits to check up on the status of the loan program.
- Reviewed and approved applications, as further described in Section D of this report.
- Issued funds for multiple loans, as further described in Section D of this report.

Table 1: Completed Outreach Efforts

Type Of Outreach	Total Completed
Mailing	3,298
Emailing	1,286
Phone Calls	19
Site Visits	10
Social Media Boosting	1 post

D. Loan Updates

DEQ continued to process and review applications through the deadline of December 31, 2025. Pursuant to S.L. 2024-53, s. 4C.8(k), the following loan program status information for **April 2025 through March 2026** is provided below, and will be updated in each annual report:

- The recipient of each loan awarded, and the total amount awarded to each recipient.
- The total amount of loans awarded from the program.
- The total amount of loan funding that has been repaid.

Table 2: Loan Recipients and the Amount Awarded per Recipient

Loan ID#	Recipient Name	Date Application Approved	Amount Awarded	Amount Repaid
UST-HEL-0001	Shree Sahajanand Inc.	2/10/2025	$40,000	Payment due 12/31/2026
UST-HEL-0002	Jay Swaminarayan LLC	2/10/2025	$50,000	$10,000.00
UST-HEL-0003	Mull Inc.	2/10/2025	$25,514.46	Payment due 6/30/2030
UST-HEL-0004	Spe-Dee Oil Company	2/17/2025	$180,000.00	$180,000.00
UST-HEL-0005	Quickmart of Swannanoa, LLC	3/3/2025	$25,000.00	Payment due 12/31/2026
UST-HEL-0006	Stamey Enterprises	3/31/2025	$75,000.00	$10,000.00
UST-HEL-0007	Executive II LLC	4/8/2025	$60,000.00	$10,000.00
UST-HEL-0008	SH&H Enterprises LLC	11/6/2025	$601,075.00	Payment due 9/30/2026
UST-HEL-0009	3Urgin LLC	5/9/2025	$90,000.00	$13,500.00
UST-HEL-0010	Shree Siya Retailer LLC	1/14/2026	$15,706.89	Payment due 12/31/2026

Table 3: Approved Loans, Waiting for Borrower to Return Documents

Loan ID	Applicant Name	Application Approved	Loan Amount
UST-HEL-0011	Linville Mart Inc	6/30/2025	$80,000.00
UST-HEL-0013	Aljariri Brothers LLC	1/14/2026	$130,000.00

Table 4: Total Amount of Loans Awarded and Repaid

Total Amount of Loans Awarded	Total Amount of Loans Repaid
$1,372,296.35	$223,500.00

E. Rulemaking

Pursuant to S.L. 2024-53, s. 4C.8.(*l*), DEQ adopted emergency rules for the program in accordance with G.S. 150B-21.1A, effective February 14, 2025, and adopted temporary rules in accordance with G.S. 150B-21.1, effective April 8, 2025. **The permanent rules adopted to replace the temporary rules in accordance with G.S. 150B-21.2 became effective November 1, 2025, with a few minor changes from the temporary rules such as updates to deadlines and clarification on payment plans.** The permanent rules are codified as 15A NCAC 01W .0101 - .0105.

The rules provide clarification and interpretation of the Session Law requirements and additional details on the process for loan application, awarding of loans, use of loan funds, and repayment. Pursuant to S.L. 2024-53, s. 4C.8.(*l*), temporary and permanent rules adopted to replace emergency rules were not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes.

Rulemaking Updates:

Completed Actions	
Date	**Action**
February 14, 2025	Effective Date of Emergency Rules
April 8, 2025	Effective Date of Temporary Rules
June 20, 2025	DEQ Secretary approved Permanent Rules for public notice
August 1, 2025	Start of Public Comment Period for Permanent Rules
August 21, 2025	Public Hearing for Permanent Rules
September 30, 2025	End of Public Comment Period for Permanent Rules
October 9, 2025	DEQ Secretary adopted Permanent Rules
November 1, 2025	Effective Date of Permanent Rules

F. Recommendations

As noted, from the initial sum of $2,000,000 designated for the Bridge Loan Program, $1,372,296.35 has been obligated and awarded to projects across the state. DEQ requests the North Carolina General Assembly's consideration on the following recommendation:

- Shift an additional portion of the remaining $627,703.65 in non-obligated funds to allow use for alternate purposes
  - $400,000.00 of the remaining $627,703.65 can be shifted to the General Fund.
  - $227,703.65 can remain in the Bridge Loan fund to ensure sufficient resources are available to support ongoing loans in the event of project cost overruns
  - Once all scopes of work are completed under the loans, all remaining funds can be reallocated.