

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



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

**April 1, 2025**

**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 .....	1
B. Background .....	2
C. Program Activities and Outreach.....	4
D. Loan Updates .....	5
E. Rulemaking .....	6
F. Recommendations.....	7

## 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 **first** annual report.

This report includes:

- An update on outreach efforts with stakeholders.
- An update on the development of emergency and temporary 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. Owners or operators of commercial underground storage tanks and thereby supply owners or operators are provided 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. 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. 2023-58 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 will continue to be updated throughout program implementation as changes occur. The webpage currently has the following information:

- an overview of the program and its purpose and applicability,
- a link to S.L. 2024-53,
- program and rulemaking status,
- a link to the application, and
- program contact information.

Program activities and outreach from October 25, 2024 (the effective date of S.L. 2024-53) through March 2025 include:

- Created a new website for the program.
- Held semi-weekly meetings to discuss and develop the program.
- Developed loan application, award documents, and a loan agreement template.
- Sent out notice letters to potential loan recipients in the affected area to determine program interest.
- Developed and adopted new emergency rules and published temporary rules for public comment. Further information on the rulemaking and the public comment period can be found in Section E of this report.
- Reached out to a total of 3,840 facilities via multiple formats in the disaster declared counties as summarized in Table 1 below.
- Developed graphics for social media posts, brochures, and announcement cards.
- Weeklong site visit trip to Western North Carolina to see impacted facilities and meet with owners and operators.
- 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
<b>Mailing</b>	3497
<b>Emailing</b>	2927
<b>Phone Calls</b>	45
<b>Site Visits</b>	35
<b>Social Media Boosting</b>	2 posts

## D. Loan Updates

DEQ has developed the loan application, loan award documentation, and a loan agreement to facilitate the awarding of loans under this program and has begun processing loans. Pursuant to S.L. 2024-53, s. 4C.8(k), the following loan program status information for **October 2024 through March 2025** 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
UST-HEL-0001	Shree Sahajanand Inc.	2/10/2025	\$40,000
UST-HEL-0002	Jay Swaminarayan LLC	2/10/2025	\$50,000
UST-HEL-0003	Mull Inc.	2/10/2025	\$25,514.46
UST-HEL-0004	Spe-Dee Oil Company	2/17/2025	\$180,000.00
UST-HEL-0005	Quickmart of Swannanoa, LLC	3/3/2025	\$25,000.00
UST-HEL-0006	Stamey Enterprises	3/31/2025	\$75,000.00

**Table 3: Total Amount of Loans Awarded and Repaid**

Total Amount of Loans Awarded	Total Amount of Loans Repaid
\$395,514.46	\$0

**Table 4: Applications Under Review as of April 1, 2025**

Facility ID	Applicant Name	Application Received Date	Amount Requested
00-0-00000016617	SriSai Group Inc	2/10/2025	\$70,874.00
00-0-0000035010	Shree Siya Retailer LLC	2/27/2025	\$27,000.00
00-2-0000001652	SH&H Enterprises LLC	3/10/2025	\$784,499.00
00-0-0000002205	Everest Technology Services LLC	3/15/2025	\$48,810.26

## E. Rulemaking

Pursuant to S.L. 2024-53, s. 4C.8.(f), DEQ adopted emergency rules for the program in accordance with G.S. 150B-21.1A, effective February 14, 2025. The emergency 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.

As required by the statutory procedures for emergency rulemaking, DEQ also submitted the emergency rules to the Office of Administrative Hearings (OAH) to publish on their website for public notice and hearing using temporary rulemaking procedures in accordance with G.S. 150B-21.1, to begin the process to adopt temporary rules to replace the emergency rules.

**DEQ Secretary Wilson adopted the temporary rules on March 27, 2025. The goal for the effective date of the temporary rules is May 1, 2025.** DEQ's goal is to adopt permanent rules, in accordance with G.S. 150B-21.2, to replace the temporary rules by fall of 2025. The temporary and permanent rules adopted to replace the emergency rules are not subject to Part 3 of Article 2A of Chapter 150B of the General Statutes.

### Temporary Rulemaking Schedule and Updates (future dates are subject to change):

Date	Action
<b>Completed Actions</b>	
February 12, 2025	<ul style="list-style-type: none"><li>The proposed rules and public notice information were published on the OAH and DEQ websites, beginning the 15-business-day public comment period.</li><li>Notice was sent to stakeholders of the comment period and hearing.</li></ul>
<b>February 14, 2025</b>	Emergency Rule Effective Date
February 27, 2025	Public Hearing held at DEQ office in Raleigh with virtual option.
March 5, 2025	End of public comment period for rules.
<b>March 27, 2025</b>	DEQ Secretary adopted temporary rules.
<b>Future Actions (subject to change)</b>	
May 1, 2025	Goal for Effective Date of Temporary Rules



## F. Recommendations

DEQ requests the North Carolina General Assembly's consideration on the following recommendations.

- ***Provide resources for DEQ to administer the program through general appropriations.***

DEQ requests non-recurring, non-reverting funding in FY 2025-26 of 1.5% of the total allocated funds for the bridge loan program for use by the Department, which may be used for temporary staff salary and other administrative costs, to be able to administer the program until all loans have been repaid. Currently, no funds are available to administer and enforce the program requirements. Work performed to develop the new loan program, the application and award documentation, and the emergency, temporary, and permanent rules to comply with the requirements of S.L. 2024-53, s. 4C.8 is currently done by existing employees.

- ***Convert the program from a loan program to a grant program.***

DEQ requests that S.L. 2024-53, Section 4C.8, which established an emergency infrastructure bridge loan program for commercial underground storage tanks (UST) within DEQ, be amended to transition all **or a portion of** these bridge loans to grants to owners and operators of commercial USTs who need short-term financial assistance due to Hurricane Helene. This would allow DEQ to provide funding to facilities with the greatest need, even if no federal aid or private insurance funding is available for the facility and they have no expectation of receiving other aid to repay the loans.

Another option for consideration would be creating an option and a process for applying for loan forgiveness for loans that were not ultimately reimbursed by federal disaster aid or private insurance.