



## URGENT REQUEST FOR FEDERAL RELIEF

### Supporting North Carolina's Helene-Impacted Counties

In the aftermath of Tropical Storm Helene, which tragically claimed over 100 lives in North Carolina, counties in the affected areas are grappling with both human and financial costs. Helene has become one of the deadliest storms of the 21st century. As these communities continue to recover, they face overwhelming financial and capacity challenges.

### Key Issues Facing Counties

- **Severe Revenue Loss:** Many counties are already facing an estimated \$7-8 million in property tax revenue loss for the current fiscal year due to a drop in collection rates. This loss, combined with property and business damage, is expected to reach \$20-25 million across 27 counties in the next tax year. Additionally, the loss of the October tourism season and subsequent slowing in retail sales has resulted in an estimated \$5-\$10 million decline in sales tax revenue this year, further straining county budgets.
- **Upfront Recovery Costs:** While federal assistance helps rebuild infrastructure, it is provided on a reimbursement basis, leaving counties to shoulder the upfront costs — many of which exceed their available capital. Additionally, federal programs often require a non-federal match, which many counties cannot afford, placing them under significant financial strain.
- **Budgetary Strain and Service Disruptions:** Counties are required by state law to balance their budgets; they also need to maintain sufficient fund balances to obtain favorable credit ratings. Faced with soaring recovery costs and declining revenue, counties will need to make tough budgetary decisions that could impact essential services such as schools, healthcare, and emergency services.

### Immediate Action Needed

Counties urgently need direct, flexible federal relief, particularly in the form of revenue replacement grants, to avoid deep budget cuts and ensure vital services remain operational. A model similar to the **Coronavirus State and Local Fiscal Recovery Fund** — which allowed counties to replace lost revenue without administrative burden — would provide critical relief, enabling counties to continue operations and support their communities during this prolonged recovery.

### Call to Action

We ask for your leadership to ensure that Congress provides timely, direct financial relief to North Carolina's counties so they can recover, rebuild, and continue delivering essential services to their residents.

The recovery from Tropical Storm Helene will take years, and immediate support is crucial to safeguarding communities already suffering. Thank you for your attention to this urgent issue.