



February 25, 2025

**MEMBERS OF THE NORTH CAROLINA CONGRESSIONAL DELEGATION**

United States Capitol  
Washington, District of Columbia

**Re: Urgent Request for Federal Relief to Support North Carolina's Recovery from Tropical Storm Helene**

*We request your immediate support for direct, flexible federal relief to help counties in North Carolina recover from Tropical Storm Helene. Specifically, we seek revenue replacement grants, cash flow assistance, and a streamlined approach to recovery funding.*

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Dear Senators and Members of Congress,

We write to you today on behalf of counties in North Carolina's federally declared disaster area, particularly those impacted by the devastating effects of Tropical Storm Helene. As you are aware, Helene ranks among the deadliest U.S. storms in the 21st century, with over 100 confirmed deaths in North Carolina alone. Our counties have been on the frontlines of this disaster, working tirelessly to manage both community and personal losses. However, the road to recovery is long and costly, and we urge your support for additional, direct federal assistance to help counties address urgent needs.

Helene's widespread destruction has placed an enormous strain on counties, not only through the tragic loss of life but also through skyrocketing recovery costs and revenue shortfalls. Counties are in desperate need of immediate and direct relief in the form of revenue replacement grants to maintain critical services like schools, healthcare programs, and emergency services. While FEMA's Community Disaster Loan program offers loans to counties, the debt incurred could have a negative long-term impact on bond ratings, leaving our counties hesitant to accept this option. A more flexible, direct funding approach, modeled after the Coronavirus State and Local Fiscal Recovery Fund, would allow counties to replace lost revenue with minimal administrative burdens while providing the necessary resources to maintain services and invest in recovery.



The financial strain on counties extends beyond disaster recovery costs. Revenue losses have impacted and will continue to impact county budgets, and many counties in the affected areas are facing losses on several fronts:

- **Property tax revenue losses** in the current fiscal year due to lower-than-usual collection rates. Property taxes are the largest revenue source for every North Carolina county, and some counties have seen a decrease in payments as residents face greater financial strain than in prior years. In total, we estimate that counties are facing an estimated \$7 million to \$8 million revenue loss in the current fiscal year.
- **Property tax revenue losses** projected for FY 2025-26 and beyond due to damaged and destroyed properties, which will have reduced value for tax purposes. These particular revenue losses will persist for years as recovery continues, further stretching already limited resources. In total, we estimate that counties face an estimated \$20 million to \$25 million revenue loss in the upcoming fiscal year alone.
- **Sales tax revenue losses** due to the near-total loss of the October tourism season. Sales taxes are the second-largest revenue source for every North Carolina county. Although sales tax losses are difficult to forecast, we estimate that counties in total may be facing a loss of \$5 million to \$10 million in the current fiscal year.

The North Carolina General Statutes require each county to adopt a balanced budget and maintain a healthy fund balance; these actions also help counties retain favorable credit ratings. Although federal assistance provides critical resources for debris removal and rebuilding public infrastructure, these funds are often provided as reimbursements — meaning counties must first cover the upfront costs, many of which exceed their available capital. Additionally, some federal programs require a non-federal match, which many counties simply cannot afford. As a result, counties will face tough budgetary decisions that could severely impact essential services for already vulnerable communities.

Recently, we identified a significant barrier to participation in the USDA Natural Resources Conservation Service Emergency Watershed Protection Program. Although the non-federal match requirement was waived for projects, several counties with urgent needs are unable to participate due to a lack of upfront cash. This issue arises because the program operates on a reimbursement basis, meaning counties must pay for expenses upfront and wait for reimbursement. This situation highlights the critical need for cash flow assistance to ensure that counties can effectively respond to environmental emergencies and secure the resources necessary to protect their communities.

The fiscal challenges facing our communities demand immediate action from the federal government. We urge you to prioritize revenue replacement and other forms of flexible financial relief for counties in North Carolina and across the nation that are struggling in the aftermath of natural disasters. The recovery from Tropical Storm Helene will take years, and it is essential that



we do everything we can to support the communities and counties that will continue to face immense challenges in the months and years ahead.

Thank you for your attention to this urgent issue. We look forward to your leadership in ensuring that counties have the resources they need to recover and continue serving their communities.

Sincerely,

Kevin Leonard  
Executive Director  
North Carolina Association of County Commissioners (NCACC)