**Legislative Report – January 9, 2025**

On January 8, 2025, the North Carolina General Assembly convened its ceremonial opening day for the 2025 legislative session. Both the House and the Senate swore in their newly elected and returning members, selected leadership, and outlined their legislative priorities. With significant changes in both chambers—especially new House Speaker Destin Hall and a new Lieutenant Governor, Rachel Hunt—this session marks a notable transition in leadership and strategic focus.

Key issues include budget negotiations (particularly a proposed “mini” budget to address Western North Carolina storm recovery), education investments, infrastructure and disaster preparedness, and the potential for medical marijuana legalization. The Senate maintains a Republican supermajority, while House Republicans will need at least some Democratic support for veto-proof legislation—a dynamic that could prove critical in shaping the state’s legislative output.

**House Leadership and Priorities**

1. **New House Speaker: Destin Hall (R-Caldwell)**
   * **Background & Vision**
     + Grew up in rural North Carolina; first in his family to become a lawyer.
     + Emphasized economic growth, tax cuts, and building a climate that fosters high-wage jobs and robust business expansion.
     + Committed to increased spending on K–12 and higher education, incentivizing new teachers, and bolstering school safety (including funding for school resource officers).
   * **Immediate Focus: Mini Budget for Hurricane Helene Relief**
     + Hall wants a targeted appropriation early in the session (after January 29) to expedite relief efforts for Western North Carolina.
     + The state will coordinate with federal funds already authorized, aiming to avoid past missteps in long-term disaster recovery.
2. **House Supermajority & Seating Arrangements**
   * House Republicans lost their supermajority by one vote, making bipartisan support necessary to pass key legislation.
   * Moderate Democrats who have historically crossed party lines (Reps. Garland Pierce, Cecil Brockman, Shelly Willingham, Carla Cunningham) are seated near the front of the House Chamber, a possible signal of their continued importance in close votes.
   * New Majority Leader Brenden Jones (R-Columbus) and Rules Committee Chair John Bell (R-Wayne) occupy prominent front-row seats, reflecting their central roles in legislative strategy.
3. **Other Key House Leaders**
   * **Speaker Pro Tempore Mitchell Setzer (R-Catawba)**
     + Serving his 14th term; elected by his caucus in November.
     + Stressed state unity and resilience, referencing recovery efforts for Hurricane Helene victims.

**Senate Leadership and Priorities**

1. **Lt. Gov. Rachel Hunt (D-Mecklenburg)**
   * A former state senator who presided over the Senate on opening day.
   * Signaled an active role compared to her predecessor.
   * Policy interests include robust public education, expanded child care, and the protection of women’s health care.
   * Emphasized a willingness to work with—and listen to—those of different political perspectives.
2. **Senate President Pro Tempore Phil Berger (R-Rockingham)**
   * Reelected unanimously, beginning his eighth two-year term leading the Senate.
   * Noted the need for “renewed” disaster preparedness strategies, citing Western North Carolina’s recovery from Hurricane Helene as an immediate concern.
   * Indicated Senate Republicans’ desire to address unregulated THC products and potentially move forward on medical marijuana legislation.
3. **Senate Majority and Minority Leadership**
   * **Sen. Ralph Hise (R-Mitchell)**was reappointed Deputy President Pro Tempore; continuing his involvement in fiscal and health care issues.
   * **Sen. Todd Johnson (R-Union)**and **Sen. Amy Galey (R-Alamance)**were elected Republican Majority Whips, key positions for vote-counting and caucus coordination.
   * **Sen. Sydney Batch (D-Wake)**was selected as Minority Leader, replacing longtime Democrat leader Dan Blue. This change may bring a fresh approach to Senate Democrats’ agenda and negotiations with the majority.

**Budget Outlook and Expected Policy Considerations**

1. **State Budget Negotiations**
   * With Gov. Josh Stein (D) now in the Governor’s Office, House Speaker Hall (R), and Senate leader Berger (R), expect robust budget negotiations.
   * Berger and Hall intend to reach agreement on a spending cap before delving into detailed appropriations.
   * Republicans remain focused on continued tax relief, though Speaker Hall stresses additional investment in education and workforce development.
2. **Disaster Recovery and Preparedness**
   * Western North Carolina storm relief is a top priority in the initial weeks of session.
   * Lawmakers will likely consider both immediate spending (the “mini” budget) and comprehensive strategies to reduce bureaucratic delays, drawing lessons from previous hurricane recovery efforts in eastern North Carolina.
3. **Medical Marijuana Legalization**
   * The Senate appears amenable to legislation on medical marijuana; the House remains less certain.
   * A “compromise bill” could gain traction if it addresses related THC oversight concerns.
4. **Education Funding**
   * Speaker Hall’s emphasis on K–12 spending, teacher incentives, and bolstering state university funding suggests potential bipartisan alignment on education.

**Legislative Calendar**

Senate Rules Chairman Bill Rabon (R-Brunswick) announced Wednesday that the spring crossover deadline would be May 8.  The Crossover deadline is the date a Senate bill must pass the Senate in order to be eligible for consideration during the remainder of the 2025 session and the 2026 session (same for House bills). The crossover deadline does not apply to local, finance or appropriations bills.

Other deadlines in the House and Senate rules packages adopted Wednesday include:

**Senate Deadlines**

According to Senate Bill 1, all local bills must be submitted to the Legislative Drafting Division of the Legislative Services Office by 4 p.m. onThursday, Feb. 13, and must be filed for introduction in the Senate before 4 p.m. on Thursday, Feb. 27.

All public bills and resolutions must be submitted to the Legislative Drafting Division or the Legislative Analysis Division of the Legislative Services Office by 4 p.m. on Thursday, Feb. 27, and must be filed for introduction in the Senate before 4 p.m. on Tuesday, March 25.

**House Deadlines**

According to House Bill 1, all local bills must be submitted to the Legislative Drafting Division or the Legislative Analysis Division ofthe Legislative Services Office by 4p.m. on Thursday, Feb. 20, and must be introduced no later than 3 p.m. on Thursday, March 6.

All public bills or resolutions must be submitted to the Legislative Drafting Division or the Legislative Analysis Division of the Legislative Services Office by 4 p.m. on Thursday, March 6, and must be introduced no later than 3 p.m. on Thursday, April 3.

**Senate Committee Chairs**

On January 9, Senate Leader Phil Berger (R-Rockingham) announced the committee appointments for the 2025–26 legislative biennium. House Speaker Hall has not yet announced House committee chairs. Here’s a list of the Senate committee chairs:

**Agriculture, Energy, and Environment - Chairs:** Brent Jackson, Norman W. Sanderson, Lisa S. Barnes

**Appropriations/Base Budget - Chairs:** Brent Jackson, Ralph Hise, Michael V. Lee

**Commerce and Insurance - Chairs:** Todd Johnson, Danny Earl Britt, Jr., Eddie D. Settle

**Education/Higher Education - Chairs:** Michael V. Lee, Kevin Corbin, Brad Overcash

**Elections - Chairs:** Ralph Hise, Warren Daniel, Brad Overcash

**Finance -  Chairs:** Paul Newton, Tom McInnis, David W. Craven, Jr.

**Health Care - Chairs:** Jim Burgin, Amy S. Galey, Benton G. Sawrey

**Judiciary - Chairs:** Warren Daniel, Danny Earl Britt, Jr., Buck Newton

**Pensions and Retirement and Aging - Chairs:** Paul Newton, Carl Ford, W. Ted Alexander

**Regulatory Reform - Chairs:** Tom McInnis, Steve Jarvis, Timothy D. Moffitt

**Rules and Operations of the Senate - Chair:** Bill Rabon

**State and Local Government - Chairs:** W. Ted Alexander, Carl Ford, Bobby Hanig

**Transportation - Chairs:** Bill Rabon, Vickie Sawyer, Michael A. Lazzara

**Joint Legislative Commission on Government Operations - Chair:** Phil Berger

**Select Committee on Nominations - Chair:** Bill Rabon

**Appropriations Subcommittees**

·         **Appropriations on Agriculture, Natural, and Economic Resources**

* + **Chairs:** Todd Johnson, Norman W. Sanderson, Lisa S. Barnes

·         **Appropriations on Department of Transportation**

* + **Chairs:** Bill Rabon, Vickie Sawyer, Michael A. Lazzara

·         **Appropriations on Education/Higher Education**

* + **Chairs:** Paul Newton, Kevin Corbin, Brad Overcash

·         **Appropriations on General Government and Information Technology**

* + **Chairs:** W. Ted Alexander, Carl Ford, Bobby Hanig

·         **Appropriations on Health and Human Services**

* + **Chairs:** Jim Burgin, Amy S. Galey, Benton G. Sawrey

·         **Appropriations on Justice and Public Safety**

* + **Chairs:** Danny Earl Britt, Jr., Warren Daniel, Buck Newton

**Looking Ahead**

The General Assembly will break until January 29, after which bill filing and early budget work will begin in earnest.

With new faces in prominent leadership roles and a shift in political dynamics, the 2025 session promises to be both active and unpredictable.

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