



# North Carolina Spirits Association

Legislative Report  
March 1, 2019

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The legislature picked up pace this week, with committees meeting regularly and bills moving to the floor for votes. This week, Governor Cooper signed his first bill of the year, Senate Bill 75, which repealed a law that would reduce the size of the Court of Appeals from 15 to 12 judges by not filling vacancies. So far, the Senate has passed 11 Senate Bills and 1 House Bill, while the House has passed 8 House Bills and 3 Senate Bills. The two chambers have been holding daily appropriations subcommittee meetings, where the members have heard from agencies and groups on their budget needs and major programs. These meetings are largely educational and help legislators get up to speed before they start the budget writing process.

A Wake County Superior Court Judge ruled last Friday that the voter ID and income tax cap constitutional amendments approved by the voters in the 2018 general election are unconstitutional. The judge cited the fact that a federal court had declared the General Assembly's legislative districts unconstitutional, and, thus, the General Assembly did not have the authority to place the amendments on the ballot. The State Constitution requires a three-fifths vote in both chambers to propose a constitutional amendment to the voters, and the lawsuit claimed that the legislature would not of had the required votes if it were not for their unconstitutional districts. Republican leaders have vowed to appeal the decision, claiming that it was politically motivated.

Governor Cooper delivered his second State of the State address to House and Senate members on Monday. In his address, the Governor advocated for Medicaid expansion, free community college tuition for high demand jobs, a school construction bond, teacher pay increases, and continued Hurricane Florence and Michael recovery efforts. The Governor acknowledged that some of these issues would be divisive, but implored legislators to work together, citing the bipartisan success they had when working on hurricane relief last year. Senate leader Phil Berger delivered the Republican response via an online video later that evening. In his message, Berger, indicated that Republican's focus will continue down the same path, noting that the voters sent Republican majorities in both chambers back to Raleigh.

Lawmaker's are seeking to restrict the use of cell phones while driving. The State already prohibits texting and driving, but according to law enforcement, the current law can be hard to enforce, and that there are many other smart phone applications besides texting that can distract drivers. House Bill 144, The Hands Free NC Act, makes phone use while driving without using a hands free application punishable by a \$100 fine for first time offenders, \$150 for second time offenders, and \$200 plus insurance points for third time offenders.

This week Governor Cooper set the schedule for the new congressional race in the Ninth District. The primary election date for both parties will be April 30 and general election date will

be July 9. Mark Harris, who received the most votes in the 2018 general election has announced that he will not run in the new election for the Ninth District.

The House and Senate adjourned Thursday and will reconvene on Monday afternoon.

### **Press Conference held this Week by the Opponents of Privatization of Liquor Sales**

Anticipating legislation yet to be filed that would privatize liquor sales in North Carolina, a group of legislators, police chiefs and advocacy groups opposed the idea of privatizing liquor sales at a news conference Wednesday at the legislative building. Representative McGrady (R-Henderson) says he will file such a bill this session to "get government out of the business of selling and distributing distilled spirits" with "a modern licensure bill, with the state still having responsibility for enforcement and getting added responsibilities regarding licenses." At Wednesday's press conference, opponents of privatization argued that the current system of government-run ABC stores works well to keep liquor consumption down while generating revenue for local governments. Speakers at the event included Representatives McElraft (R-Carteret), Willingham (D-Edgecombe), the leader of the N.C. Association of Chiefs of Police, and Rev. Mark Creech of the conservative advocacy group Christian Action League. Representative McElraft said that if current retailers selling beer and wine all added liquor, the state would go from having 430 liquor stores to 9,000. "I'm concerned about access to liquor by heavy drinkers and especially by our minors," she said. Creech said that ABC privatization "would be the biggest issue concerning alcohol policy that North Carolina citizens have faced since Prohibition."

Dan House, president of the police chiefs' group and Wrightsville Beach police chief, said his town currently gets about \$500,000 annually from ABC store revenues. "That's the functional equivalent of cutting my entire operating budget," he said. "We are already overwhelmed with drug and alcohol issues. We see that our current system is working and we'd like to see that stay in place."

Representative McGrady said his bill will "address that issue, keeping revenues to local governments whole," but he has not yet released details. He also disputed the claims about increases in liquor consumption, crime and public health problems. "My belief is that a large portion of that is just pulling people back to North Carolina from buying in South Carolina or other border states," he said. "The misconception is that going to a licensure model means that there will be no state role in regulating liquor and its consumption. That is just not true. In fact, I would like to see enforcement beefed up, and I would expect a licensure process that would eliminate bad players."

Wednesday's news conference did not address changes to the ABC system recommended by the legislature's Program Evaluation Oversight Committee. That bill, House Bill 91 and Senate Bill 87, would allow local boards to open ABC stores on Sundays and would allow in-store liquor tastings. Representative Willingham is a primary sponsor of that bill, and he said Wednesday that "the system that we have is good, but you can always improve it." Asked about the proposed changes, Creech said that "there may be some diverse opinions with respect to those provisions" among those at the news conference.

## BILLS OF INTEREST

**Senate Bill 124, Small Town Mixed Beverage Election Req's**, would amend the requirements that must be met before a town may hold a mixed beverage election, to provide that if it has at least 200 registered voters, has a town area of less than one square mile, operates an ABC store, and is in a county that has at least three cities that have approved the sale of mixed beverages, a town may hold a mixed beverage election. This bill affects the Town of Bunn in Franklin County. **Introduced by Senator J. Alexander and referred to the Senate Rules Committee.**

**Senate Bill 154, Authorize Sports Wagering on Tribal Lands**, would allow wagering on sporting events on tribal lands in accordance with the Federal Indian Gaming Regulatory Act. **Introduced by Senator J. Davis and referred to the Senate Rules Committee.**

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For more information about legislation described in the legislative reports, feel free to contact me at [dferrell@nexsenpruet.com](mailto:dferrell@nexsenpruet.com) or (919) 573-7421. Information is also available on the General Assembly's website: [www.ncleg.gov](http://www.ncleg.gov).

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