



# North Carolina Spirits Association

Legislative Report  
February 17, 2023

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## **Budget Surplus/Economic Forecast**

North Carolina's revenue forecast shows that the state will collect 10.7% more taxes than expected, resulting in a surplus of \$3.25 billion. This unexpected revenue could lead to further tax cuts and higher raises for state employees and teachers. The surplus is attributed to a combination of smaller-than-expected declines in individual income tax collections, high corporate profits, resilient consumer spending, and higher-than-expected investment returns. Inflation remains high, with the consumer price index indicating a 6.4% national rise in prices since last year. Despite stagnant growth in 2022 and slow growth in 2023, the forecast predicts continued economic growth with inflation expected to remain high until 2024. The General Assembly's budget process is already underway with Democratic Governor Roy Cooper set to release his budget proposal in March, which often includes policy provisions in addition to monetary allocations. On Tuesday February 21, Dr. Emma Turner will present the Consensus Revenue Forecast to a joint session of the House and Senate Appropriations Committee, and members will also receive a budget update from John Poteat of the General Assembly's Fiscal Staff.

## **This week at the North Carolina General Assembly**

Budget season is underway at the North Carolina General Assembly and Joint Appropriations Committee meetings are taking place every morning. The legislature is seeing a flurry of action with new bills being filed every day, and committees moving bills on to the floor in each legislative body.

This week was a busy one, with healthcare and gun-related bills being at the forefront of legislative activity. The House quickly moved its Medicaid Expansion bill through the Health Committee on Tuesday and passed it on the House floor on Wednesday with overwhelming bipartisan support (96-23).

On the other side of the legislative building, the Senate combined three gun-related bills, repealing the Pistol Purchase Permit, allowing firearms in religious meeting places, and creating a Firearm Safe Storage Awareness Initiative into one and passed it through the Judiciary Committee. The bill ultimately passed the full Senate on Thursday by a party line vote of 29-19.

Additionally, the Senate Health Care Committee passed Senate Bill 46, Medical Billing Transparency on Wednesday. The purpose of this bill is to protect North Carolinians from unexpected medical bills and to ensure that individuals are not penalized for receiving care from out-of-network healthcare providers in in-network facilities. Senate Bill 46 requires a written

notice from healthcare providers disclosing their network status at least 72 hours prior to the patient receiving healthcare services at an in-network facility. This legislation is expected to pass the full Senate next week and move over to the House.

Finally, the Senate Judiciary Committee heard Senate Bill 3, NC Compassionate Care Act on Wednesday, which would legalize medical cannabis in North Carolina for debilitating conditions. Amendments are expected to be made to the bill in committee next week before the bill advances to the Senate floor.

Legislators will be back next Monday, February 20<sup>th</sup>, and we expect it to be another busy one. Stay tuned for more updates on legislative activity in North Carolina.

### **House ABC Committee Meets Next Week**

Last Tuesday, the House ABC Committee held its first meeting of the legislative session. Chairman John Bradford (R-Mecklenburg County) chaired the meeting. The Committee heard a presentation from Hank Bauer, Chairman, Alcoholic Beverage Control Commission (ABC Commission) and Renee Metz, Assistant General Counsel, ABC Commission, where they provided an overview of the ABC Commission, the three-tier system in North Carolina, discussed the State warehouse, and other similar matters. Also, Bryan House, Director, Alcohol Law Enforcement Division of the Department of Public Safety, provided the Committee an overview of ALE Division and how it works with the Commission and local alcohol officers.

### **Bills of Interest**

**House Bill 94, ABC Laws/Local Sales Option**, would provide local governments with the option of adopting ordinances to allow “happy hours” at certain ABC permitted businesses in the city or county that has adopted the permit. The bill would allow the holder of a permit issued under this subdivision to do any of the following, for any period of time:

- a. Sell an alcoholic beverage at a price that is different from the usual or established price charged for the alcoholic beverage.
- b. Sell more than one alcoholic beverage to a patron for a single price.
- c. Establish a single price based upon the required purchase of more than one alcoholic beverage.
- d. Offer "cents off" coupons.
- e. Offer a meal and alcoholic beverage at a single total price, whether or not the total price reflects a reduced price of the alcoholic beverage.
- f. Advertise the price and type of alcoholic beverages (i) on outside signage located on the permittee's premises, (ii) via newspapers, radio, television, and other mass media, or (iii) on outside signage located on the permittee's premises and via newspapers, radio, television, and other mass media.

The bill would become effective July 1, 2023. **Introduced by Representatives Saine, Dahle, Willis and Hawkins and referred to the House ABC Committee.**

**Senate Bill 102, Use Tribal ID for Alcohol & Tobacco Purchase**, would add tribal enrollment cards issued by a federal recognized tribe to the list of acceptable identification when making alcohol or tobacco purchases. This bill would apply to purchases made on or after July 1, 2023. **Senate Bill 108 is an identical bill introduced by Senator Corbin. Introduced by Senator Johnson, Corbin and Lazzara 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).

***Prepared By: David P. Ferrell, Esq. – NC Spirits Association Lobbyist***  
***NEXSEN PRUET PLLC***  
***4141 Parklake Ave, Suite 200***  
***Raleigh, North Carolina 27612***  
***Telephone: (919) 573-7421***  
***[dferrell@nexsenpruet.com](mailto:dferrell@nexsenpruet.com)***  
***[www.nexsenpruet.com](http://www.nexsenpruet.com)***