



North Carolina Spirits Association

Legislative Report
July 14, 2023

The 2024 race for governor of North Carolina has brought attention to the state legislature as Democratic gubernatorial candidate and Attorney General Josh Stein, along with other Democrats, urged Republicans to reach a budget deal. The budget delay has put raises for state employees, teachers, and Medicaid expansion on hold. Stein expressed disappointment at the lack of concern for the state's priorities and the delay in important issues such as schools funding, Medicaid expansion, and support for law enforcement officers. Budget disputes have become common in recent years, but this time the impasse is between the Republican-controlled House and Senate. Unlike the federal government, North Carolina's spending rolls over to the new fiscal year at the previous year's amount, so a government shutdown is not a possibility.

Top Republicans mentioned the possibility of reaching a budget deal next week, although mid-August seems more likely. The delay is partly due to negotiations and lawmakers' plans for summer vacation and political conferences. The final passage of Medicaid expansion, a bipartisan win supported by Democratic Governor Roy Cooper for years, is tied to the budget. Some Democrats called for decoupling Medicaid expansion from the budget to ensure that those in need of insurance receive coverage. They also emphasized the importance of providing raises and support to state employees. House Speaker Tim Moore and Senate leader Phil Berger, who lead Republican supermajorities, have been discussing the budget. Interestingly, the topic of allowing additional casinos in the state has emerged during the budget discussions. The Senate has proposed this idea, but it is not a determining factor for the budget deal. However, if more casinos are allowed, tax revenue and total tax collections would be affected.

It was a relatively calm week in Raleigh as Senator Berger and Speaker Moore engaged in ongoing negotiations regarding unresolved budget matters, which must be decided for the budget process to proceed. The Senate was out for the week and have shut down their policy committees. On the other hand, the House convened on Wednesday, holding two committee meetings and a session initially scheduled to address several veto override votes. However, these override votes have been postponed until next Wednesday. The Senate will return for their own override votes either next week or the following week but it seems things are at a standstill until a breakthrough is achieved in the ongoing budget negotiations impasse.

The House and Senate adjourned on Thursday and will reconvene on Monday, July 17, 2023, however no committee meetings or action on legislation are scheduled.

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