



North Carolina Spirits Association

Legislative Report
August 25, 2023

North Carolina's Delayed Budget - Revitalizing Raleigh and Reshaping Priorities

The long-delayed North Carolina state budget is poised to bring about significant changes to downtown Raleigh. Notably, the iconic State Capitol dome is undergoing a transformation, replacing its copper roof to shift from a familiar brown to a nuanced greenish-blue hue over time. Meanwhile, renovation work is underway at the Executive Mansion, where lead-painted porches are being replaced. Major downtown demolitions, originally postponed, are expected to gain momentum with the injection of funds from the new budget.

The budget, expected to undergo final review around Labor Day, encompasses more than just physical renovations. Discussions encompass critical infrastructure projects spanning water, sewer, airports, and even the allocation of funds for State Highway Patrol. Another noteworthy point is the ongoing debate around legalizing additional casinos in the state.

Also in the budget are raises for tens of thousands of state employees and teachers, a delay that has kept them waiting since the fiscal year began on July 1. The budget's passage would make these raises retroactive, offering relief to these individuals. Moreover, the budget addresses the much-needed raises for bus drivers and school staff, especially crucial given the reported shortages that have disrupted transportation for students in Wake County and beyond.

The legislative session is nearing its conclusion, with a flurry of activities expected, including the consideration of conference reports and bills in the pipeline. This legislative activity will be followed by a session dedicated to redistricting in October, a process that will significantly impact the political landscape for the 2024 elections.

North Carolina Unemployment Holds Steady at 3.3% in July - Lowest Rate in a Decade

In July, North Carolina's unemployment rate remained steady at 3.3%, the same as June's revised rate. However, compared to a year ago, the state's unemployment rate has dropped by 0.4%, reaching its lowest point in over ten years. Additionally, the number of employed individuals in North Carolina grew by 81,640 in the past year. On a national scale, the unemployment rate decreased by 0.1% to 3.5%.

Record-Breaking Tourism: North Carolina's Visitor Spending Soars to \$33.3 Billion in 2022, Fueled by Urban Centers

In 2022, North Carolina experienced a record-breaking year for tourism, with visitors spending a total of \$33.3 billion, a 15.2% increase compared to the previous year. Larger cities in the state,

particularly Charlotte and Raleigh, benefited the most from this surge in tourism. Mecklenburg County, home to Charlotte, led with \$5.3 billion in tourist spending, followed by Wake County with \$3 billion. Asheville's Buncombe County and Dare County, known for the Outer Banks, ranked third and fourth respectively. Greensboro and High Point in Guilford County rounded out the top five.

Among the state's counties, Durham County ranked 8th with \$1.02 billion in tourism spending, while Orange County stood at 32nd place. In the broader Triangle region, Johnston County and Chatham County attracted varying levels of visitor spending, ranking 28th and 59th in the state respectively. Notably, Durham experienced the highest increase in tourism dollars, rising by 23% between 2021 and 2022. Other urban counties like Mecklenburg, Wake, Orange, Guilford, and Forsyth also saw significant spending growth. Mecklenburg County had the highest tourism workforce with 33,627 employees.

Interestingly, despite the pandemic, rural counties in North Carolina saw increased visitor spending at a faster rate. However, in 2022, only two rural counties, Caswell and Granville, kept up with the spending growth seen in more populous areas. The annual report was commissioned by Visit NC, a tourism advocacy group. The North Carolina Commerce Secretary, Machelle Baker Sanders, emphasized the importance of tourism as a vital industry for the state and celebrated the welcoming and authentic experiences that attract millions of visitors each year.

This Week at the General Assembly

Legislators were not in Raleigh this week but work still continued on the budget as they aim for final passage the week of September 11th. The legislature overrode six vetoes last week bringing their total this session to 14. The Governor vetoed two more bills this week including an elections related bill and the Board and Commissions Appointment changes bill. Legislators may not be at the General Assembly next week but we expect veto overrides votes on the latest vetoes when legislators come back to Raleigh to pass the budget as well as conference committee reports on a few remaining bills, such as the Regulatory Reform bill.

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