



North Carolina Spirits Association

Legislative Report
April 21, 2023

Following the Legislative Easter/Spring Break, legislators have resumed their duties in Raleigh. This week marked a critical period for the House as the filing deadline for public bills in the House was Tuesday, April 18th. This deadline resulted in a whopping 163 bills being introduced on Tuesday. There were a significant number of committee meetings this week, which resulted in floor votes not taking place until Wednesday in the House, and Thursday in the Senate. The next two weeks are expected to be frantic as lawmakers strive to push their bills through one chamber before the May 4 crossover deadline. Meanwhile, the Senate is working hard on the state budget, with early mornings and late nights being the norm. Sub-committee chairs worked to submit their proposed budgets to the Senate's "big" appropriations chairs by the end of the week.

The Annual Farm Bill

The annual Farm Bill advanced this week in the Senate. The bill caused some concern among environmentalists, who say the changes to hog farm rules will be bad for the environment. The bill would allow farmers to vent more methane gas from waste pits and allegedly weaken wetland protections in the state. However, the bill would also strengthen trout stream protections and increase the penalty for spilling animal waste along state roads. The bill covers a range of agricultural policies and includes changes to regulations on honey production and timber larceny, as well as the requirement for schools to have muscadine grape juice on hand for students. The bill is expected to pass the Senate by the May 4 crossover deadline.

NC Students Make Academic Gains Despite Pandemic Learning Loss

According to a recent report presented to the House K-12 Education Committee, students in North Carolina made major academic gains in the 2021-22 school year, recovering from the learning loss caused by the COVID-19 pandemic. The report showed that students in nearly every subject made academic gains. While lawmakers expressed skepticism about the gains, Jeni Corn, Director of Research and Evaluation in the Department of Public Instruction's Office of Learning Recovery and Acceleration, said that North Carolina was "on track" and "on the path of recovery." The report is seen as encouraging news as the state and the nation continue to recover from steep pandemic learning losses.

Medical Debt De-Weaponization Act

North Carolina State Treasurer Dale Folwell, who is running for Governor in 2024, is urging lawmakers to pass a new consumer protection law that addresses medical debt collections. Folwell presented the "Medical Debt De-Weaponization Act" to a Senate committee, which aims to protect families from getting stuck in poverty due to medical bills they cannot afford. If

passed, the law will require healthcare providers to disclose financial assistance options, the cost of services, and the Medicare reimbursement rate. The bill also prohibits debt collectors from seeking repayment from a patient's family members; and delays any impact on a consumer's credit scores until a year after an invoice is issued. The bill faces opposition from the North Carolina Healthcare Association, which represents the state's hospitals.

Legislative Branch vs. Executive Branch Appointment Power

Bills have been introduced this session to transfer appointment power for certain state boards and commissions away from the Governor, and either to the legislature or other executive branch agency heads; boards and commissions dealing with education, transportation, utility company regulations, environmental rules, economic development grants, and public health rules. One bill would give the legislature the ability to veto the selection of the President of the Community College System. Several former North Carolina governors, from both parties, issued a statement this week opposing these bills. If these bill pass the legislature, it is expected that they would be vetoed by the Governor. The newly obtained veto-proof majority in the House, with Representative Cotham's switch from Democrat to Republican, should assist the legislature in overriding the veto.

The legislative adjourned on Thursday and will reconvene on Monday April 24.

Bills of Interest

House Bill 603, Temporary Event Venues, would enact GS 160D-915.1 to enable local governments to establish a process for permitting temporary event venues. Temporary event venues are defined as existing publicly or privately owned buildings or structures suitable for public or private events related to entertainment, education, marketing, meetings, sales, trade shows, or any other activities or occasions authorized by government ordinance. The events are limited to 72 hours and are permitted as an accessory use in any zoning district without requiring a special use permit or subjecting to other local zoning requirements.

The bill specifies that only municipalities with a population of 100,000 or more are considered local governments. Also, the bill allows only one temporary event venue per lot or parcel of land and limits permitted venues to 24 temporary events in a calendar year. Ordinances authorizing temporary event venues must prescribe the process for persons seeking a temporary event venue permit or a renewal.

Additionally, the bill provides that the issuance of a temporary event venue permit is not a quasi-judicial act. Local governments may charge up to \$100 for an initial permit and up to \$50 for a renewal. The local government may require any concerns from the required inspection to be addressed with reasonable measures and may also require the use of temporary toilet facilities.

The bill exempts permitted temporary event venues from requirements of the Building Code or any local variants. However, compliance with federal laws and regulations is mandatory. Finally, the bill provides parameters for instances in which permittees seek rezoning of the parcel to a zoning district that would allow a permitted use of the venue for events of the type authorized by

a temporary event permit. The bill also makes conforming changes to GS 143-138, which concerns the State Building Code. **Introduced by Reps. Hardister (R), Brody (R), Paré (R), Clemmons (D) and referred to the House Local Government Committee.**

House Bill 664, Mobile Bar Services Permit, would allow a business to provide bartending services for events and to bring various types of alcoholic beverages onto the premises of a business that does not hold an ABC permit, for the purpose of serving the beverages to guests at the event. The permit would not allow for the retail sale of individual alcoholic beverages to guests at the event. Additionally, the permit holder would be prohibited from serving the specified types of alcohol at any location owned or possessed by the permittee. The bill outlines specific requirements for the permit, including notification, servers, transportation, and removal of alcohol. It also establishes a \$500 fee for the permit. **Introduced by Rep. Pickett (R) and referred to the House Committee on Alcoholic Beverage Control.**

House Bill 692, Restaurants & Bars/Buy from Distiller, would allow a holder of a distillery permit to directly sell spirituous liquor to restaurants and bars that hold a mixed beverages permit, and would establish a mixed beverages surcharge to be collected from the distillery permit holder for such sales. Additionally, the bill would permit a restaurant or bar holding a mixed beverage permit to purchase spirituous liquor for resale as a mixed beverage from a distillery, an ABC store designated by a local board, or both. The Alcoholic Beverage Control Commission would be directed to develop and implement a process for allowing a distillery permit holder to affix a mixed beverages tax stamp to spirituous liquor sold directly to a restaurant or bar, and to adopt rules as necessary to implement the process. These changes would take effect on July 1, 2023, and would apply to sales made on or after that date. **Introduced by Reps. Pickett (R) and Saine (R) and referred to the House Committee on Alcoholic Beverage Control.**

House Bill 779, ABC/Revise Malt Beverage & Wine Elections, would make changes to subsection (c) of GS 18B-600, which governs the places that are eligible to hold alcoholic beverage elections. Under the proposed amendment, a city can only hold a malt beverage or unfortified wine election if the county where the city is located has already held an election, and the result was against the sale of the alcoholic beverage in question. Previously, the law also required that the city meets one of three criteria: (1) a population of 500 or more, (2) operate an ABC store, or (3) have a population of more than 400 but less than 500 or more and previously had a population of 500 in the previous census.

The proposed amendment repeals subsection (c1) entirely, which previously allowed certain city elections for malt beverage or unfortified wine if the city met specific criteria. The city must be located in a county where more than 50% of its area has held an election against the sale of the alcoholic beverage in question, have a population of 200 or more, and the county where more than 50% of the city's area is located also contains three or more cities already allowing malt beverage or unfortified wine sales. **Introduced by Rep. Greene (R) and referred to the House Committee on Alcoholic Beverage Control.**

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