



North Carolina Spirits Association

Legislative Report
September 4, 2020

Legislators adjourned the 2020 short session on Thursday, September 3, “sine die”, which means they are not scheduled to return to Raleigh until the 2021 session. Legislators spent the entire spring and summer dealing with coronavirus relief. The majority of North Carolina’s share of federal CARES Act relief funds was allocated by the end of June, but legislators stopped short of spending all the federal relief money and had been awaiting additional guidance from a second federal coronavirus relief package that was expected before the end of August. Although the second federal relief bill has not passed, North Carolina lawmakers returned to Raleigh Wednesday to allocate the rest of the \$1.1 billion.

House Bill 1105, the Coronavirus Relief Act 3.0, allocates these federal relief funds which must be in the hands of the recipient entities by the end of the year. The bill passed the Senate 44 to 5, passed the House in a concurrence vote 104-10, and is now awaiting review by Governor Cooper.

On Thursday, Senate President Pro Tem Phil Berger said the plan is that lawmakers are done for the year. “We have no plans to come back,” Berger said, adding the caveat that another federal coronavirus funding bill from Congress or other needs that arise could prompt Governor Cooper to call a special session. While an updated revenue forecast expected in the fall could prompt budget adjustments, “I don’t think the situation will require that to be done until the new General Assembly is seated” in January, Berger said.

The Coronavirus Relief Act 3.0 gives all North Carolina households with parents of children 17 and younger a \$335 stimulus check to help offset costs associated with remote learning. The bill also, among other things, increases the maximum unemployment benefit available to North Carolina citizens; raises income-eligibility caps for opportunity scholarships; provides funding for hurricane and earthquake disaster recovery; provides funding to the Job Retention Grant program to help businesses that have kept 90% of their employees on the payroll from March through May; and provides funding to expand broadband internet access to the rural parts of the state.

Healthcare is always a major topic at the Legislature, and that was evident in House Bill 1105. Lawmakers earmarked money for COVID-19 research, personal protective equipment and other innovative ways to combat the pandemic. Here are some of the recipients of COVID-19 relief funds:

- Funding for the Duke University Human Vaccine Institute to support vaccine development and the development of rapid, low-cost COVID-19 testing.

- \$9.7 million to nonprofits the N.C. Senior Living Association, N.C. Health Care Facilities Association and N.C. Assisted Living Association for COVID-19 tests for distribution to facilities represented by the organizations.
- \$5 million to the UNC System Board of Governors for COVID-19 testing and tracing as well as enforcing isolation and quarantine measures and providing healthcare services.
- \$9 million to UNC-Charlotte for the Bioinformatics Research Center including funding to test the presence of the virus in wastewater and public transportation systems.
- \$13 million to the UNC System Board of Governors for constituent institutions to purchase more PPE.
- An increase from \$7 million to \$27 million for the Department of Public Instruction for PPE in public schools to help allow for in-person instruction.
- \$14 million for the PPE-NC Initiative, a partnership between community colleges, local governments and private companies to create reusable personal protective equipment products.
- \$20 million to DHHS to establish the N.C. COVID-19 Provider Relief Fund to reimburse Medicaid providers who treat uninsured patients.
- \$6 million to DHHS to purchase PPE and sanitizing supplies for childcare facilities.

Gyms, museums, bowling alleys, and aquariums will be allowed to open Friday, September 4. Museums and aquariums will be allowed to open at half capacity, and gyms will be able to open at 30% capacity. Playgrounds will also be allowed to open. The news of loosened restrictions on businesses, which Governor Cooper calls Phase 2.5, comes a week ahead of schedule. Governor Cooper announced on August 5 that existing regulations would be in place until at least September 11. This new Executive Order is scheduled to remain in effect through October 2 but could end earlier or be extended.

In addition, NC Department of Health and Human Services Secretary Mandy Cohen issued a Secretarial Order allowing for outdoor visitation at nursing homes and skilled nursing facilities. To participate, nursing homes must meet several requirements, including not having a current outbreak, having a testing plan and updated a written Infection Control or Preparedness Plan for COVID-19, and having adequate personal protective equipment.

The legislature is scheduled to convene the 2021 long session on January 13, 2021.

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

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