



# North Carolina Spirits Association

Legislative Report  
February 26, 2021

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The 2021 legislative session picked up momentum this week as each chamber continued to introduce bills and hold committee meetings. The session is in its early stages, and lawmakers are still allowed to file bills. After each chamber's bill filing deadlines pass in April, legislators will work to move bills to the opposite chamber before the May 13 crossover deadline.

The House and Senate Appropriations' subcommittees started meeting routinely this week. The committees are going over their subject areas' budgets and hearing from state agencies on budget needs. These meetings also allow new members to acquaint themselves with the budgetary process.

Governor Cooper signed House Bill 4 into law this week which extends ABC permit fee payment deadlines and reinstates some inactive permits in response to pandemic restrictions. The Governor still has Senate Bill 37 on his desk which would require school systems to offer some level of in-person instruction to students whose parents request it. The Governor has expressed opposition to this bill and has until February 27 to take action on the bill or it becomes law without his signature.

Governor Cooper issued Executive Order 195 this week which relaxes many of the previously-enacted COVID-19 restrictions. The Governor and Department of Health and Human Services Secretary Mandy Cohen cited decreasing COVID cases and hospitalizations in their announcement. Many industries have been asking for months for lighter restrictions as their businesses have struggled. The Executive Order goes into effect on February 26 at 5pm and expires on March 26. It lifts the statewide 10pm curfew but still keeps the face covering requirement for individuals in public. Under the Order, bars and entertainment facilities will be allowed 30% of their capacity but are limited to 250 people indoors. Outdoor bars are allowed to have up to 250 people. Alcohol sold for on-premise consumption was previously cut off at 9pm but will now be cut off at 11pm and not allowed until 7am the next day. Large indoor facilities and arenas over a 5,000 person capacity will be exempt from the 250 person restriction but will be capped at 15% of their capacity. Gyms, personal fitness centers, restaurants, and retail establishments will be limited to 50% of their capacity. The Executive Order still requires businesses to follow social distancing and other safety guidelines. The mass gathering limit is now 25 people indoors and 50 people outdoors for places not specifically carved out in other sections.

During the 2020 legislative session, the General Assembly passed a provision that temporarily allowed attorneys and others to use emergency remote notary and witness requirements in response to the COVID-19 pandemic. That provision is set to expire on Monday, March 1, 2021. The legislature is expected to extend the provision in the coming weeks; however, until the extension becomes law, existing in-person notary and witness provisions should be used.

The House unanimously passed a bill this week that would give parents the option to send their children to a summer school program. The summer school would be in-person and aimed to help students struggling with the challenges of online learning. School districts would be required to offer at least 150 hours or 30 days of instruction. Bill sponsors cite data showing that many students are below grade level and at risk of being held back from promotion. The bill does not make summer school mandatory, leaving that decision in the hands of parents. Teachers will also not be required to teach summer school but will receive additional pay if they choose to teach. The additional instruction will be paid for with federal relief money. Governor Cooper has said that he supports the idea and realizes that many students will be in need of additional instruction, but he claims that it is too early to tell if it will be safe to return large numbers of students to in-person settings by the summer. House leadership says that it anticipates tweaks to the bill as it moves to the Senate but is optimistic that in-person instruction will be safe by summer. The summer programs will target reading and math in early grades, while science will be added to higher grade levels. The bill also requires school lunches and transportation to be offered, as well as enrichment activities to keep students motivated.

The House and Senate adjourned on Thursday and will return on Monday, March 1.

#### **BILLS OF INTEREST**

**Senate Bill 104, Align PPP Tax Treatment to Federal Treatment**, would eliminate the addback for business expenses deducted to the extent the payment results in forgiveness of a covered loan under the Federal Cares Act. **Introduced by Senators Edwards, Perry and Craven and referred to the Senate Rules Committee.**

#### **BILL STATUS**

**House Bill 4, Extend ABC Permit Renewal Fee Deferral**, was signed by Governor Cooper on Thursday February 25. Session Law 2021-2.

**House Bill 73, Temporarily Waive ABC Permit Renewal Fees**, was approved by the House ABC Committee and referred to the House Finance Committee for further consideration.

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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).

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