



# North Carolina Spirits Association

Legislative Report  
April 19, 2019

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Legislators returned to Raleigh this week to continue work before taking a planned “spring break.” The House pushed ahead past its April 16 bill introduction deadline, ended its work on Tuesday April 16 and will return Wednesday April 24. The House reached 940 total bills introduced this session by the end of the day Tuesday. The Senate is taking the entire week of the April 22 off for their spring break. Due to the legislature’s vacation, there will not be a legislative report sent next week.

The House has indicated that they are still making progress on their proposed budget and hope to make it public by the end of the month. Once the House passes their budget, the Senate will begin work on its budget proposal.

Governor Cooper issued his first veto of the session, in opposition to Senate Bill 359, Born-Alive Abortion Survivors Protection Act. The bill passed on largely party lines, with neither chamber approving the bill by a veto-proof vote.

Duke Energy is pushing a bill to change the way utility rate increases are approved. Senate Bill 559 would allow the North Carolina Utilities Commission to approve multiyear rate increases for long-term projects, instead of having to come back to the Commission every year for increases. Duke Energy claims that the bill will modernize outdated statutes and allow for better decision making on long-term projects like grid modernization. Environmental and sustainable energy groups oppose the bill, along large energy customers like Google and Walmart, who believe that the bill would allow Duke Energy to shift costs to the ratepayers without review.

The Senate Finance Committee heard Senate Bill 622, Tax Reduction Act of 2019, this week. The bill increases the personal income tax standard deduction for all filing classes, lowers the franchise tax, makes changes to market based sourcing, extends the NASCAR and jet fuel tax exemption to 2024, and suspends certain taxes for out-of-state companies when entering the State in response to a disaster. The franchise tax change would lower the rate from \$1.50 per \$1,000 of valuation to \$1 per \$1,000. Bill sponsor Senator Ralph Hise (R-Mitchell) said that the ultimate goal is to eventually repeal the franchise tax all together. In the committee, fiscal analysts predicted that the bill would cost the State around \$200 million a year in revenue. Many Democrats are opposing the bill, believing that the cuts are at the expense of higher state employee salaries and investments in education. Governor Cooper has indicated that he opposes the bill, and has sought to prevent scheduled tax cuts from taking place in his recommended budgets.

Representative John Bell (R-Wayne) is advocating for a bill to add new safety regulations to rideshare services like Uber and Lyft. The bill is in a response to a South Carolina college student who was kidnapped and killed after she got into a car that she believed to be her ride. The bill requires marking and an illuminated sign to allow riders to easily recognize ridesharing cars. The bill faces opposition from Uber and Lyft, who spoke against the bill in committee. They

contend that illuminated signs prevent riders from relying on the app to identify their ride, and could easily be impersonated. The committee considering the bill did not vote on the bill this week.

The House adjourned Wednesday and will reconvene on Thursday April 25. The Senate adjourned Thursday and will reconvene on Monday April 29.

## **BILLS OF INTEREST**

**House Bill 744, Provide Minor Alcohol/Felony if Death Results**, provides that it would be a Class I felony to sell alcohol to a minor, give it to a minor or purchase it for a minor, if the commission of the offense is the proximate cause of the death of a person and one of the following additional requirements is met:

-Regarding selling, if the person knew or should have known, at the time of the sale, that the person sold the alcoholic beverage was less than 21 years old

-Regarding giving, if the person knew or should have known, at the time of the alcoholic beverage was given, that the person sold the alcoholic beverage was less than 21 years old

-Regarding purchasing it for a minor, the person knew or should have known, at the time the alcoholic beverage was purchased, possessed, consumed or otherwise provided, that the person who purchased, possessed, consumed or otherwise provided was less than 21 years old

**Introduced by Representative Setzer and referred to the House ABC Committee.**

**House Bill 921, Provide Minor Alcohol/Felony if Death Results**, is identical to House Bill 744 summarized above. **Introduced by Representatives D. Hall and Richardson and referred to the House ABC Committee.**

## **BILL STATUS**

**House Bill 91, ABC Laws Modernization/PED Study**, was considered in the House ABC Committee on Tuesday. There were a number of amendments offered, some adopted and some rejected. First, an amendment to remove the provision of the bill requiring local ABC Boards to merge so that there would be no more than one ABC board per county was adopted. An amendment addressing delivery by local ABC Boards to mixed beverage permittees using independent contractor/delivery services was adopted. Two amendments offered by Representative Pat Hurley (R-Randolph) were rejected – amendments to remove the local option Sunday sales at ABC stores and local option tastings at ABC Stores. There was much discussion and debate as well as speakers from the public - primarily from opponents of the bill. With these changes, the House ABC Committee gave House Bill 91 a favorable report and re-referred it to the House Finance Committee.

**House Bill 289 ABC/Univ. Athletic Facility**, passed the House, was sent to the Senate and referred to the Senate Rules Committee.

**House Bill 363, Craft Beer Distribution & Modernization Act**, passed the House, was sent to the Senate and referred to the Senate Rules Committee.

**Senate Bill 290, Distiller Regulatory Reform Bill**, was referred to the Senate Commerce Committee, which should mean that it will be heard in the next few weeks.

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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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