



North Carolina Spirits Association

Legislative Report
July 19, 2019

Legislators spent a short week in Raleigh with the Senate holding session Monday and Tuesday, and the House working Monday through Wednesday. Despite being on the calendar every day, the House has still not taken a vote on Governor Cooper's veto of the budget. The State is currently operating under a statutory continuing resolution that keeps spending levels at last year's levels until a new budget is adopted. The Senate has announced that they will be in town for several days next week and then may adjourn for an indefinite amount of time. House Speaker Tim Moore has indicated that the House will stay in session until a budget deal is struck. In a press conference this week, Senate leader Phil Berger listed his remaining priorities outside of a budget for the session as Certificate of Need (CON) reform, the annual Farm Act, the Excellent Public Schools Act, and an adjournment resolution.

The Senate Appropriations Committee amended House Bill 961 to add provisions that will ensure that the State can spend federal grant money in light of the budget stalemate. The bill contains provisions that are usually included in the budget, and legislators feared that the continuing resolution that is currently in place would not allow the State to spend federal dollars. The bill largely involves grants received by the Department of Health and Human Services (DHHS), but also contains authorization to spend disaster relief money, and agriculture assistance dollars. The House passed a similar bill last week that contained more funding, but is also intended to ensure federal grants will be available.

The Senate Health Committee voted to approve a controversial bill reforming the State's Certificate of Need (CON) laws. The Senate has tried several times this year to pass CON reform, but have not had the votes to get it further than committee, having to pull the bill from the calendar and send it back to committee for modifications. House Bill 126 is the latest effort, and contains increases for spending thresholds, limits on how long a CON can be held, exemptions for home health care and behavioral health, and a CON repeal for dialysis in counties over 300,000 in population. Many healthcare insiders speculate that the bill will not move in the House if it passes the Senate.

North Carolina Representative Holly Grange (R-New Hanover) announced this week that she will run for Governor in 2020. Representative Grange was appointed to the NC House in 2016 to fill former Representative Rick Catlin's term and she has won reelection twice. She will likely face Lieutenant Governor Dan Forrest in a Republican primary.

The House Finance Committee approved the 2019 NC Farm Act this week, but not before amending the bill's controversial smokable hemp section. Federal law changes last year have opened the door for states to legalize hemp production and hemp derived products; and address the emerging smokable hemp issue. The House Finance Committee amended the bill to include the definition of smokable hemp in the definition of marijuana and to ban the consumption of

smokable hemp on December 1, 2019. They claim that the smell of marijuana is a common way to obtain probable cause, and this bill will take that away.

The House and Senate will reconvene Monday afternoon.

BILL STATUS

House Bill 971, Modern Licensure Model for Alcohol Control, is scheduled to be discussed in the House ABC Committee on Tuesday. The bill is on the calendar “for discussion only.”

Senate Bill 290, ABC Regulatory Reform Bill. The Senate approved the House changes by a vote of 31 to 10, the bill was ratified, and sent to Governor Cooper for his consideration.

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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