



North Carolina Spirits Association

Legislative Report
April 12, 2019

The House continued to introduce new legislation this week in anticipation of their April 16th bill filing deadline. Since the Senate's bill filing deadline passed, the Senate has focused on moving legislation through committee. The Senate took up a controversial wind energy ban proposal, regulations on mini trucks, a bill to expand the use of CBD oil, and a bill which deals with drug overdoses. The House continued to work on their budget proposal, and members have indicated that they are still on track to release it by the end of the month, even with a planned Easter break that starts next week.

Healthcare leaders in the House introduced House Bill 655, NC Health Care for Working Families, which is their proposal to offer coverage to people who fall in the gap between Medicaid and Affordable Care Act plans. Bill sponsor Representative Donny Lambeth (R-Forsyth) calls this plan an alternative to Medicaid expansion. The bill includes work requirements, and participants would have to pay premiums and co-pays for health services. The premiums would be billed monthly and would add up to 2% of the participant's annual income. The bill directs the Department of Health and Human Services (DHHS) to seek the highest federal matching rate available, and hopes to find any required state funds through existing provider assessments, but mentions that new assessments may be needed. The program is estimated to cost \$4.7 billion a year, but the bill sponsors believe 90% of that will be paid by the federal government. The bill faces opposition from Senate leaders, who believe that intellectual and developmental disabilities (IDD) slots should come first, and from Democrats who are holding out for traditional Medicaid expansion.

The Senate Commerce Committee considered the Military Base Protection Act this week, which would prohibit wind energy installations in certain areas of the State. Senator Harry Brown (R-Onslow), who sponsored the bill, cites concerns over wind energy turbines disrupting military aircraft training, which may cause the military to close or relocate nearby bases. The State instituted a wind energy ban two years ago that was set to expire, but also conducted a study to determine locations that pose a threat to military training. The study produced a map outlining locations that would interfere with military training, which included the vast majority of eastern North Carolina. Opponents of the bill claim that it is unneeded and that an approval process that takes the military into consideration already exists. Clean energy advocates feel that the bill is an effort to undermine alternative sources of energy. The military is North Carolina's second largest industry, and Senator Brown warned of the economic consequences to the State if it lost a base. Committee members heard from military leaders on both sides of the issue and no vote was taken.

The Senate Transportation Committee approved a bill this week to increase the fees on electric and hybrid vehicles. Bill sponsors argue that these gas-efficient cars are not paying their fair share for road maintenance and construction, since the State Highway Fund's main source of

revenue comes from the gas tax. The bill raises the current electric car registration fee from \$130 to \$275 over three years, and establishes a new registration fee on hybrid cars that starts at \$87.50 and increases to \$137.50 by 2022. Highway funding in North Carolina has been a growing problem since cars are becoming more gas efficient, and bill sponsor Senator Jim Davis (R-Macon) recognizes that this bill is an “imperfect attempt” to fix the issue.

The House State and Local Government Committee advanced a bill to make Daylight Savings Time the official State time year round, if approved by Congress. Bill sponsor Representative Jason Saine (R-Lincoln) claims that it is the most popular bill he has ever filed. Representative Saine also pointed to research linking time change to higher rates of car accidents, negative health side effects, and depression. The bill has to pass the Rules Committee before heading to the full House for a vote.

BILL STATUS

House Bill 91, ABC Laws Modernization/PED Study, is scheduled to be considered in the House ABC Committee on Tuesday April 16. This bill contains the provisions on local option Sunday sales and local option tastings at ABC stores that we support.

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.

Prepared By: David P. Ferrell, Esq. - NCSA Lobbyist

***NEXSEN PRUET PLLC
150 Fayetteville Street, Suite 1140
Raleigh, North Carolina 27601
Telephone: (919) 573-7421
dferrell@nexsenpruet.com
www.nexsenpruet.com***