



# NC Spirits Association

Legislative Report  
March 23, 2025

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**Massive Relief Package Approved for Hurricane Helene** The General Assembly and Governor Josh Stein reached agreement this week on a sweeping \$528 million aid package for recovery from Hurricane Helene. The compromise, which Stein signed into law Wednesday, includes \$120 million for home reconstruction, \$200 million for crop restoration, and \$100 million for repairing private roads and bridges. It also allocates \$217 million to complete recovery projects from earlier storms like Matthew and Florence. While officials call this just the next step in a longer process, the bill also sets the stage for winding down the state's controversial NCORR disaster recovery office.

**Governor's Budget Sparks Debate, Finds Some Common Ground** Governor Stein's \$33.6 billion budget proposal includes a 10.6% teacher pay raise over two years, a child care tax credit, and freezing future corporate tax cuts. While his suggestion to pause tax reductions met GOP resistance, bipartisan discussions have emerged around DMV improvements, school safety funding, and building a UNC/Duke children's hospital. Stein is also pushing a \$4 billion school construction bond and free school breakfasts.

**Permitless Carry Bill Advances in Senate** The Senate passed legislation that would allow concealed handgun carry without a permit for those 18 and older, aligning North Carolina with 29 other states. Proponents argue it restores constitutional rights, while opponents warn it eliminates important training and could increase risk to law enforcement. Several Democrat-sponsored amendments on officer benefits passed, but debate over the bill's timing and implications continues as it moves to the House.

**Expanding Access to Mental Health Through Military Partnerships** Lawmakers visited Camp Lejeune to see firsthand how a UNC–Novant–Naval Medical Center partnership is improving mental health care for active-duty military and veterans. The program provides psychiatry residencies that blend civilian and military training to ensure broader, more confidential access to care for service members.

**Rural Maternity Care Crisis Deepens** A new report shows rural North Carolina hospitals continue to cut or close maternity wards, with the maternal mortality rate doubling in recent years. Labor and delivery services, often labeled financial "loss leaders," are frequently the first to go. Advocates warn the trend is putting mothers and newborns at risk, especially in the western part of the state.

**Public School Cellphone Limits Gain Traction** A bipartisan push to restrict cellphone use in classrooms passed a House committee, following Senate approval of a similar bill. Local school districts would be required to develop policies for phone use, aiming to cut distractions and restore focus in schools. Governor Stein also supports the effort.

**State Moves to Reform Prior Authorization Rules** A bipartisan group of lawmakers introduced legislation to speed up and regulate health insurance prior authorization processes, a practice often blamed for delaying medical treatment. Doctors backing the bill say the system burdens providers and harms patients, while insurers argue it helps control costs.

**NC State and UNC Could Be Required to Keep Rivalry Alive** The "Restoring Rivalries Act" would mandate that NC State and UNC play each other annually in football and other key sports, even if conference realignment separates them. The proposal reflects concerns about shifting college athletics landscapes and preserving longstanding in-state traditions.

The Legislature adjourned on Thursday and will reconvene on Monday, March 24.

## **BILLS OF INTEREST**

**House Bill 425, Protect Youth from Harms of Vaping & Nicotine**, establishes a new regulatory framework for the retail sale of tobacco and nicotine products in North Carolina. Beginning May 1, 2026, all retail sellers, delivery sellers, and remote sellers of tobacco products—including vapor and alternative nicotine products—must obtain a tobacco retail sales permit from the ABC Commission. The bill sets the minimum sales age at 21 and outlines enforcement authority, penalties, and requirements for product certification and directory listings. Notably, the ABC Commission and ALE Division are charged with enforcing the new tobacco sales laws, leveraging the existing regulatory infrastructure used for alcohol enforcement. Permit application and renewal fees (\$400 per permit annually, plus minor administrative fees) are remitted to the State Treasurer for deposit into the General Fund. While the bill does not directly allocate ABC-generated taxes to fund implementation, it integrates tobacco enforcement into the ABC Commission’s purview, effectively utilizing existing ABC resources supported by those revenues.

**Introduced by Reps. Loftis (R); Campbell (R); Ross (R); Willis (R) and is awaiting committee referral. This is a companion bill to Senate Bill 318.**

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**Introduced by Sen. Adcock (D) and referred to the Senate Rules Committee. This is a companion bill to House Bill 430.**

## **BILL STATUS UPDATES**

**House Bill 198, Amend Law on Notice of ABC Violation**, passed the House 115-0 and was referred to the Senate Rules Committee.

**House Bill 330, Controlled Substances Act – Updates**, was reported favorable on the committee substitute in House Judiciary 2 Committee and referred to House Rules Committee. The committee substitute makes technical and clarifying edits to the original version, primarily refining chemical names and definitions to ensure consistency and accuracy in the Controlled Substances Act. It corrects naming conventions for substances like fentanyl derivatives (e.g., changing "fluorobutyryl fentanyl" to "para-fluorobutyryl fentanyl") and provides more precise descriptions of synthetic cannabinoids and other compounds.

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For more information about legislation described in the legislative reports, feel free to contact us at [chorton@maynardnexsen.com](mailto:chorton@maynardnexsen.com), [dferrell@maynardnexsen.com](mailto:dferrell@maynardnexsen.com), [criemer@maynardnexsen.com](mailto:criemer@maynardnexsen.com) or at (919) 573-7421. Information is also available on the General Assembly's website: [www.ncleg.gov](http://www.ncleg.gov).

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