



North Carolina Spirits Association

Legislative Report
May 19, 2023

North Carolina Senate Advances Budget Plan with State Employee Raises and Tax Cuts

The North Carolina Senate has given approval to its version of the state budget bill this week; a two-year spending plan that includes raises teachers and state employees, tax cuts, new regulations, and various special projects. The Senate's proposed raises for state employees and teachers are lower than the House's plan, but elected officials would receive significant pay increases. The Senate also wants more tax cuts and proposes accelerating existing tax cuts. The Senate included a provision in the state budget bill whereby hospitals in the state's largest counties could be shut down if they do not meet certain stated savings targets. The budget includes a provision blocking funding for family planning services provided by health providers that also perform abortions. The Senate would expand the Opportunity Scholarship Program, which provides private school vouchers. The Senate budget was criticized by Governor Roy Cooper for its impact on public education. However, the Senate budget passed by a vote of 37-13 with 7 Democrats joining all 30 Republicans – this after the Senate considered 30 proposed amendments to the bill. The House will vote not to accept the Senate version of the budget, and a conference committee of House and Senate budget negotiators will be established to work through the differences in the two versions of the budget, and arrive at a compromise – probably by June 30, the end of the state's fiscal year. Budget negotiations are expected to begin next week.

North Carolina Overrides Veto, Implements New Abortion Restrictions

This week the General Assembly overrode Governor Roy Cooper's veto of Senate Bill 20, the recently enacted abortion bill. The legislation replaces the current ban on most abortions after 20 weeks with a 12-week ban that includes exceptions for rape and incest up to 20 weeks, life-limiting fetal anomalies up to 24 weeks, and a medical emergency endangering the mother's life at any point in the pregnancy. The decision was made along party lines, with Republicans supporting the restrictions and Democrats opposing them.

North Carolina Senate to Discuss Sports Betting Bill, House Speaker Cleared to Vote

Sports betting legislation is set to be discussed in the Senate next week. President Pro Tem Phil Berger stated that the bill will likely be introduced in committee next week and could reach the Senate floor later in the week, although the exact timing is uncertain. It remains unclear if the Senate version will differ from the House version that passed earlier this session. House Speaker Tim Moore has been cleared to vote on the bill by the internal ethics committee, which issued a public opinion stating that a lawyer-legislator does not need to consider a former gaming legal client as a conflict of interest. This is significant because Sports Betting failed in the House last

summer by a one vote margin. So if the bill goes back to the House for a vote to approve any changes the Senate may make to the bill, the vote could be by a close margin. The proposed legislation aims to legalize mobile and online sports betting in North Carolina, without the inclusion of additional casinos.

Bill in North Carolina Sparks Debate Over Defining Nuclear Power as 'Clean Energy'

Clean energy advocates and Governor Roy Cooper have expressed concerns over a proposed bill that aims to redefine "renewable energy" as "clean energy" under state law. The bill, if approved, would place nuclear power on an equal footing with wind, solar, and hydroelectric power in North Carolina's efforts to achieve a carbon-free power grid. Senator Paul Newton, the bill's primary sponsor, argues that nuclear power should be considered "clean" and emphasizes its carbon-free nature and consistent availability compared to other renewables. Critics highlight the large land requirements of wind and solar farms, their dependency on weather conditions, and the need for power storage facilities. Governor Cooper, committed to net-zero greenhouse gas emissions by mid-century, aims to reduce emissions while ensuring safe, reliable, and affordable energy. The current energy mix in North Carolina consists of 31% nuclear energy, 33% natural gas, 21% coal, and 15% renewables. While supporters of the bill believe nuclear power is a necessary tool, opponents raise concerns about nuclear waste and the viability of new nuclear technologies. The bill has passed the Senate unanimously and awaits review in the House.

This Week at the General Assembly

This week in Raleigh was marked by contentious debates and significant legislative actions. The week kicked off with a controversial move as the Governor's veto of Senate Bill 20, the Care for Women, Children, and Families Act, was overridden by party-line votes in both chambers. The debate surrounding this bill sparked intense emotions on both sides of the aisle. Republican legislators believed that Democrats were misrepresenting the bill, while Democrat legislators opposed the newly imposed restrictions, which reduced the abortion time limit from 20 weeks to 12 weeks. There were tense exchanges in both the House and Senate during the veto override debate.

The Senate's additional focus this week was on passing their version of the state budget bill. In the House, Rep. Cotham's (R) House Bill 823, titled "Choose Your School, Choose Your Future," was passed on Wednesday. This bill serves as the companion to the Senate version and aims to expand eligibility for the Opportunity Scholarship program to all North Carolina students. Under this bill, scholarships would be awarded on a sliding scale based on income level. The language from this bill was included in the Senate budget and is expected to be incorporated into the final budget. Despite lengthy debates, one Democrat, Rep. Willingham, joined the Republican legislators in supporting the bill.

The House and Senate adjourned on Thursday and will reconvene for non-voting sessions on Monday May 22.

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