



North Carolina Spirits Association

Legislative Report
February 1, 2019

Lawmakers returned to Raleigh to start official business on Wednesday, January 30th. While the session technically started on the 9th, the General Assembly traditionally breaks for a few weeks get organized, move offices, and appoint committees. The session is expected to get off to a slow start with members getting adjusted to their new roles. Legislative leaders have indicated that not much action will take place next week, with only a few committees meeting.

The House voted to re-elect Speaker Tim Moore to another term, and the Senate voted to give President Pro Tem Phil Berger another term as their leader. The Republicans maintain a 65-55 majority in the House, and a 29-21 majority in the Senate. Democratic Governor Roy Cooper (D-Nash)'s veto power will mean more this year since the Republicans lost their supermajorities as a result of the November 2018 elections.

The House has announced a scheduling change for 2019. They will be holding a Rules Committee meeting on Monday afternoons, which will be followed by a no-vote session in the evening. Tuesdays will be reserved for committee meetings, and Wednesdays and Thursdays will be busy days on the floor. The House also announced that it has schedule the week of April 22 - 26 and the week of July 1- 6 as vacation weeks and will not hold session.

The decision to expand Medicaid is shaping up to be a major issue of the legislative session. Legislative Democrats have long pushed for the expansion, but Republicans in both chambers have not been willing to expand the program, citing worries of runaway costs. Republican members of the House are now starting to warm up to the idea, and are planning to file their "Carolina Cares" bill that would expand Medicaid coverage and include some form of work requirement. Representative Donny Lambeth (R-Forsyth) calls it a hybrid Medicaid bill. Senate Republicans remain opposed to Medicaid expansion, which may make for a lengthy session since Governor Cooper's office has stated "the session ends when we get Medicaid expansion."

School construction funding is another issue that legislators will tackle this session, with the House and Senate unveiling two competing plans. The House has proposed a \$1.9 billion bond that would go before the voters for approval on the 2020 primary election ballot. Alternatively, The Senate filed their "Building North Carolina's Future" bill this week, which uses the pay-as-you-go state capital funding mechanism established in 2017 to put additional dollars towards school construction. The bill would increase the percentage of tax collections that go into the fund by .5% and would add \$100 million dollars of lottery revenue to the fund on a recurring basis. The bill would also require that funds received by schools be used to comply with the K-3 class size requirements before they can be used for other priorities.

Earlier this month, Senator Lewis Pate (R-Wayne) resigned from the Senate due to health related issues. Senator Pate was elected to five terms in the Senate and served four terms in the

House of Representatives. The Wayne and Lenoir County Republican Executive Committee has chosen Jim Perry of Kinston to fill Senator Pate's seat for the 2019-2020 legislative session.

The House and Senate adjourned on Thursday and will reconvene Monday evening.

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**