



North Carolina Spirits Association

Legislative Report
June 2, 2023

Sports Betting Legislation Nears Finish Line

The bill legalizing sports betting in North Carolina is making significant progress, receiving bipartisan support and passing a key vote in the state Senate this week. If the bill becomes law, the state could generate millions of dollars in revenue. However, the opposition argues that it would contribute to addictive behavior and grant a monopoly to large-scale gambling operations. The bill is expected to undergo a final vote in the House before heading to the desk of Governor Roy Cooper, who has expressed support for its passage.

The Board and Commission Appointments Bill

Senate Bill 512 aims to shift the power to make various appointments to state boards and commissions from the Governor to legislative leaders and other elected officials in the executive branch, including transferring some appointments to the state treasurer, insurance commissioner, and agriculture commissioner, all of whom are Republicans. The latest version of the bill would have the terms of all current Board of Transportation members end; with the Board subject to appointment by the legislature and the Governor. The House Speaker and Senate Pro Tem would appoint 14 members, while the Governor would appoint 6, with restrictions on the number of members residing in the same highway division. The bill would expand the UNC Board of Governors from 24 to 28 members, and reduce the Governor's appointees to several boards and commissions while adding appointments made by the House Speaker and Senate President Pro Tem, including to the Environmental Management Commission, the Commission for Public Health, the Coastal Resources Commission, the Wildlife Resources Commission, and the North Carolina Railroad Board of Directors. The House removed the provisions of the bill that would have reduced the number of Utilities Commission members from 7 to 5 and changed the appointment authority for some of the members. The bill was approved by the House this week, and returned to the Senate to consider the House changes.

Taking a Gamble: North Carolina Considers Going 'All-In' on Casinos and Video Games

House Speaker Tim Moore and Senate leader Phil Berger are considering the possibility of legalizing casinos in the state. They both have publically expressed interest in creating entertainment districts, including gaming, shopping, restaurants, and hotels, in economically distressed areas. Currently, only tribal casinos operate in the western part of North Carolina, but the recent opening of casinos in Virginia has prompted lawmakers to explore the idea of allowing more casinos in North Carolina. The discussions are in the early stages, and a draft bill is being prepared.

Toyota Invests \$2.1 Billion in North Carolina Battery Plant Expansion

Toyota is investing an additional \$2.1 billion in its battery plant in North Carolina, bringing its total commitment to the facility to \$5.9 billion. The plant, located south of Greensboro, is expected to begin manufacturing lithium-ion batteries in 2025, with production lines for hybrid car batteries and electric vehicle batteries. The investment will support future expansion at the plant but will not impact the projected employment target of 2,100 jobs. Toyota is partnering with local community colleges for recruitment and has received significant support from the state, including incentives and public funding. The battery plant is part of Toyota's plan to produce batteries for its expanding lineup of hybrid and electric vehicles. The project is the largest economic venture to receive public support in the state's history.

NC Senate Passes Bill to Streamline Regulations on Blue Cross Blue Shield

The North Carolina Senate has passed House Bill 346, a proposal aimed at reducing regulations on Blue Cross Blue Shield of North Carolina. Supporters believe the bill will alleviate burdensome regulations, while opponents argue that it will enable the insurer to transfer billions of dollars from policyholders to a new unregulated company. The bill received bipartisan support, with only five Democratic Senators opposing it. It now awaits the signature of Governor Roy Cooper.

This Week at the General Assembly

Legislators returned on Tuesday after the long weekend and jumped right back into the thick of it. The House amended and moved Senate Bill 512, Greater Accountability for Boards/Commissions, through two committees and passed the bill in the full House in a party-line vote.

The House also took up the long-awaited Medical Cannabis bill and heard it for “discussion only” in the House Health Committee. Senator Rabon, the main sponsor and long-time advocate, used part of his remarks to tell the story of his cancer diagnosis and use of marijuana on the orders of his doctor. The bill now waits for an additional hearing and possible vote in the House Health Committee.

The Senate continued to move the Online Sports Betting legislation through committee and it ultimately passed the Senate 38-11. The bill was amended in the Senate, so it will now go back to the House to concur in the Senate changes to the bill. If the House does not concur, a conference committee will be appointed to attempt to resolve the differences between the House and Senate versions of the bill.

The annual Regulatory Reform and Farm bills also saw action this week. These are comprehensive bills that encompass many different provisions, and which get a lot of input from all over the state. Regulatory Reform was heard in Senate Agriculture for “discussion only” and we expect the Senate to consider and approve the bill next week. The Farm Bill was amended in the House Agriculture Committee and will make its way to the floor next week. The bill will

then go back to the Senate for concurrence, and will likely end up in a conference committee to work out the differences.

The House finished their business on Wednesday and the Senate wrapped up on Thursday. However, the Appropriations Sub-Committee Chairs received their spending targets on Thursday and will work until next Wednesday on their sections of the state budget, and report back to the “big” Appropriation Chairs next week. The budget is still on track to be considered and voted on in mid-June.

The House and Senate adjourned on Thursday and will reconvene on Monday June 5.

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