



North Carolina Spirits Association

Legislative Report
July 23, 2021

We will not publish a Legislative Report on July 30, 2021 – The next Legislative Report will be published on August 6, 2021.

The House and Senate leadership announced that the chambers will not have committee meetings or recorded votes after Tuesday of next week since many members will be out of town attending a legislative conference hosted by the American Legislative Exchange Council. The legislature should resume its normal schedule the week of August 2.

The House worked this week behind the scenes on their version of the state budget bill. Once the House approves the bill, they will send it back to the Senate to consider the House changes. House Speaker Tim Moore says he hopes the House version of the state budget bill will be ready in the second week of August. Once the Senate gets the House budget, it will go to conference for two to three weeks, Senator Berger estimates. That may mean the House and Senate will approve the final budget bill by the end of August and send it to Governor Cooper for his review.

The North Carolina Senate keeps advancing a bill that would legalize medical marijuana, as North Carolina remains one of several states without such a law. Senators in the Senate Finance Committee passed the bill Wednesday, after a brief discussion about the taxes and other revenue it might bring to North Carolina if passed. Senate Bill 711 would not fully legalize marijuana, and the Republican sponsors have tried to recognize the concerns of opponents. They have said at every hearing the bill has received at the legislature so far that they purposefully wrote it so that, if passed into law, North Carolina would have the strictest rules governing medical marijuana in the country. There would be a smaller list of medical ailments that doctors could prescribe it for than in many other states, and there would be strict regulations on how companies are allowed to grow, advertise and sell marijuana should it become legal for doctors to prescribe. After Wednesday's vote, the bill has now passed two of the four committees it needs to clear before it can go up for an official vote on the Senate floor — which could happen within days or weeks.

The House and Senate adjourned on Thursday and will reconvene for voting sessions on Monday August 2.

BILL STATUS

House Bill 73, Temporary Defer ABC Permit Renewal Fees, emerged from a conference committee this week. After months of inaction on the issue, lawmakers are trying again to give restaurant and bar owners a reprieve on their annual ABC permit renewal fees. A conference

committee released a compromise version of House Bill 73 on Thursday, and it quickly received a unanimous vote in the Senate. The latest proposal would move this year's renewal deadline from May to October 1, giving struggling hospitality businesses more time to make the payment. ABC permit holders would also have until April 2022 before their permits could be canceled for failing to pay. The House could act on the conference report as early as Monday night.

House Bill 366, Regulatory Reform Act of 2021, was approved by the Senate and returned to the House to consider the Senate changes. The bill would, among other things, allow North Carolina distillers to sell and ship spirituous liquor directly to consumers in other jurisdictions, provided that the laws of that jurisdiction allow for direct-to-consumer sales of spirituous liquor. This section would also clarify that North Carolina distillers would not be allowed to sell and ship spirituous liquor directly to consumers in jurisdictions that require reciprocity for such sales. This section would also make a clarification regarding spirituous liquor produced by a holder of a distillery permit. This section would become effective August 1, 2021 and apply to sales made on or after that date.

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.

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