



NC Spirits Association

Legislative Report
July 31, 2025

After a month-long break, the General Assembly reconvened with a flurry of legislative activity, including the override of eight of Governor Stein's 14 vetoes. With the Senate's supermajority and strategic Democratic support in the House, Republicans enacted new laws on immigration enforcement, firearm policy, state auditor powers, charter schools, carbon emission rollbacks, and nonprofit donor privacy. The override votes mark a significant test of power dynamics between the newly elected governor and the GOP-led legislature. While the House fell short of overriding several DEI-related bills, leadership hinted that additional veto overrides could come during future sessions.

Lawmakers also advanced a \$1 billion "mini-budget" that provides raises for teachers and state employees on step plans, addresses DMV staffing shortages, and funds economic development projects like the JetZero aircraft factory. However, the full budget remains in limbo, with tax cut targets, UNC/Duke children's hospital project funding, and broader compensation packages still unresolved. Governor Stein called the piecemeal approach "the wrong priorities," criticizing lawmakers for focusing on ideological legislation over the pressing needs of North Carolinians.

Under the adjournment resolution, the General Assembly will meet intermittently through early 2026, with narrowly defined agendas. The next session begins August 26, followed by short reconvenings in September, October, November, December, and January—limited to veto overrides, election law changes, disaster recovery bills, and pending conference reports. The 2026 short session is scheduled to begin in April 2026, when budget bills, local legislation, and constitutional amendments may again be considered.

BILL STATUS UPDATES

House Bill 8, NC Managing Environmental Waste Act of 2025, was reported favorable in the House Rules Committee, passed by the full House 117-0 and sent to the Senate.

House Bill 125, Continuing Budget Operations, passed its Conference Report by the full Senate on 7-29-25 and the full House on 7-30-25. The bill now goes to the Governor.

House Bill 125 revises the 2025–27 biennium budget, primarily to allocate funding, make targeted cuts, adjust programs, and clarify reporting requirements across multiple areas including education, healthcare, public safety, transportation, and information technology. It is effective retroactively to July 1, 2025.

For more information about legislation described in the legislative reports, feel free to contact us at chorton@maynardnexsen.com, dferrell@maynardnexsen.com, criemer@maynardnexsen.com

or at (919) 573-7421. Information is also available on the General Assembly's website:
www.ncleg.gov.

Prepared By: David P. Ferrell, Clark Riemer and Chase Horton – NC Spirits Lobbyists

**MAYNARD NEXSEN PC
4141 Parklake Ave, Suite 200
Raleigh, North Carolina 27612
Telephone: (919) 573-7421
dferrell@maynardnexsen.com
www.maynardnexsen.com**