



North Carolina Spirits Association

Legislative Report
May 10, 2024

North Carolina Legislature Considers Taxpayer Rebates

Senate leader Phil Berger has indicated that North Carolina's budget discussions this year may include the possibility of issuing taxpayer rebates due to a revenue surplus. Senator Berger emphasized that the consideration of rebates is still at a preliminary stage. He posed various scenarios for distributing the rebates, such as giving \$1,000 to every taxpayer or each head of household, or providing specific amounts to families with dependent children. However, Senator Berger mentioned that any rebate would need to be substantial to be meaningful, implying that minor amounts would not be considered. In addition to rebate discussions, the legislative priorities for the session include child care funding and education through the Opportunity Scholarship program.

The legislative process for the budget is on track for a vote in early June, though the outcome will depend on the next two weeks of discussions among budget leaders. Budget deliberations are part of the biennial adjustment to the state's fiscal plan and are progressing more smoothly than in some previous years, such as in 2019 when the budget process faced significant delays.

North Carolina House Advances Bill Defining Antisemitism

The North Carolina House advanced a bill defining antisemitism under state law, aiming to address and educate on antisemitic incidents. House Bill 942, known as the "Shalom Act," passed with significant support, despite concerns that its broad scope might restrict free speech, particularly criticisms of Israel. The bill adopts the International Holocaust Remembrance Alliance's definition of antisemitism, which includes examples that some argue conflate criticism of Israel with antisemitism. Critics, including Jewish and Muslim advocacy groups, argue the bill could hinder legitimate political expression and unfairly link criticism of Israeli policies with antisemitism. The bill now awaits Senate approval before it can be presented to Governor Roy Cooper.

North Carolina Budget Surplus Revised Downward, Still Exceeds Planned Spending

North Carolina's budget surplus has been revised down by approximately \$430 million for the next two years, officials announced this week. Previously estimated at \$1.4 billion, the surplus is now projected to be just under \$1 billion following tax collections. The updated figures suggest an extra \$188 million for the current fiscal year and an additional \$799 million for the 2024-25 fiscal year. Despite the reduction to the projections, the surplus remains above the legislature's spending plans. Lawmakers have various options, including increasing the budget to \$31.6 billion, boosting reserves, or offering taxpayer rebates. Currently, there is agreement between House and Senate

Republicans to increase funding for private school tuition vouchers, a move opposed by Governor Roy Cooper.

The legislature adjourned on Thursday and will reconvene on Monday May 13.

For more information about legislation described in the legislative reports, feel free to contact us at mfrazier@nexsenpruet.com or dferrell@nexsenpruet.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 Association Lobbyists

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