



North Carolina Spirits Association

Legislative Report
March 10, 2023

Governor Roy Cooper's State of the State Speech

North Carolina Governor Roy Cooper delivered his State of the State speech on Monday evening March 10, discussing topics such as job growth, clean energy, and Medicaid expansion. Governor Cooper also touted North Carolina being named the No. 1 state for business by CNBC in 2022, while highlighting the role of diversity and inclusion in bringing business to the state. He spoke out against tax cuts, which the Republican majority favors, while advocating for investing in education, including double-digit raises for teachers and principals. Governor Cooper also urged the state to stay "off the front lines of those culture wars that hurt people and cost us jobs."

The Republican Response

North Carolina Lieutenant Governor Mark Robinson gave the Republican Response. Lt. Governor Robinson discussed his difficult childhood and recent graduation from UNC-Greensboro with a degree in history. He expressed his passion for education, emphasizing the importance of teachers and paying them as professionals. Lt. Governor Robinson also mentioned the need for teachers to focus on teaching students how to think rather than what to think and for personal or political ideologies to stay out of the classroom. He did not declare his candidacy for Governor but has expressed interest in running in other forums.

Senator Berger and Speaker Moore Agree on Two-Year Spending Plan for State Budget

This week Senate President Pro Tem Phil Berger and House Speaker Tim Moore agreed to spending targets for the legislative state budget. The agreement specifies that spending will increase by 6.5% in the first year of the two-year spending plan, and 3.75% in the second year, which means spending will be approximately \$29.7 billion in 2023-24 and about \$30.8 billion the following year. This news is seen as positive progress towards the budget being enacted by June 30. The House version of the state budget bill is expected to be released in the first week of April.

This Week at the General Assembly

On Tuesday, Senators Britt and Lazzara held a press conference to discuss Senate Bill 189, which aims to increase the punishment for drug crimes involving heroin, fentanyl, or carfentanil. The bill would enhance the fines and penalties for individuals convicted of trafficking these substances and modify the offense of death by distribution. It would also add possession of less than one gram of fentanyl to the list of offenses where limited immunity from prosecution would

be granted to those seeking medical assistance. Additionally, a task force would be created to enforce drug violations related to fentanyl and heroin. The bill passed the Senate Judiciary Committee on Tuesday and will likely be voted on by the full Senate next week.

The Senate Health Care Committee considered House Bill 76, Access to Healthcare Options, on Tuesday. The text of the bill was replaced with the Medicaid Expansion deal struck between the House and Senate last week. The bill would expand Medicaid coverage for adults aged 18-64 with incomes up to 133% of the federal poverty line, increase Medicaid reimbursements to hospitals through the Hospital Access Stabilization Program (HASP), include workforce development measures for individuals on Medicaid, and contain Certificate of Need (CON) reform.

After approval by the Senate Health Care Committee, the Medicaid Expansion legislation made swift progress through the Senate Finance and Rules Committee this week, and is scheduled to be presented on the Senate floor next week. Following that, it will return to the House for a vote before reaching the Governor's desk for final approval. Notably, the legislation stipulates that Medicaid Expansion is contingent on the passage of the 2023 budget.

Senator McInnis' Protect Critical Infrastructure bill, which seeks to increase penalties for trespassing or damaging utility and energy facilities in response to the substation attack in Moore County, passed the Senate Judiciary Committee and is expected to be voted on by the full Senate and then the House next week.

With a total spend agreement in place between the House and Senate, the House Appropriation Sub-Committee Chairs are currently putting their budgets together while the full General Assembly continues to introduce and move bills.

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

***Prepared By: David P. Ferrell, Esq. – NC Spirits Association Lobbyist
NEXSEN PRUET PLLC
4141 Parklake Ave, Suite 200
Raleigh, North Carolina 27612
Telephone: (919) 573-7421
dferrell@nexsenpruet.com
www.nexsenpruet.com***