



North Carolina Spirits Association

Legislative Report
September 22, 2023

North Carolina State Budget Deal: Medicaid Expansion, Tax Cuts, and Policy Controversies

A state budget deal worth \$60 billion over two years has been approved by both chambers of the General Assembly. The bill includes Medicaid expansion, tax cuts, and numerous Republican policy priorities. It passed in the House with support from all Republicans and five Democrats while the Senate voted along party lines to advance the bill. Governor Roy Cooper, a Democrat, announced that he would let the budget become law without his signature.

The budget includes raises for state employees and teachers, with a 7% increase over two years for most state workers and an average 7% raise for teachers, varying based on experience. It also expands private school vouchers, lowers the personal income tax rate, and reduces franchise taxes for certain corporations.

In addition to financial provisions, the budget contains various policy changes, including giving legislators more power over the state's community college system and expanding lawmakers' exemptions from public records law. It also includes funding for healthcare, with money allocated for rural healthcare providers, behavioral health support for families, and Medicaid expansion. A children's behavioral health hospital and new health clinics are also funded. The budget allocates money for UNC System researchers to create new businesses, water and wastewater projects, highway maintenance programs, and increased savings reserves.

Notably, the budget does not include proposals to legalize more casinos or authorize video lottery terminals across the state, as disagreements between the House and Senate on gambling nearly derailed budget negotiations. Ultimately, an agreement was reached to exclude casinos and retain Medicaid expansion in the budget.

North Carolina General Assembly Passes Sweeping Regulatory Reform Bill Amidst Environmental Concerns

The North Carolina General Assembly recently passed House Bill 600, a comprehensive regulatory reform bill spanning 46 pages. This bill, supported by the Republican majority, aims to maintain a favorable business environment in the state. However, Democrats expressed concerns that the bill could harm water quality and the natural environment. It passed the House with a 72-38 vote, with some Democrats supporting it, and the Senate approved it in a party-line vote of 25-16. The bill now awaits the decision of Democratic Governor Roy Cooper, who has yet to announce his stance on the bill.

This Week at the General Assembly

It has been a whirlwind two weeks at the General Assembly. The focus has been whether casinos and video lottery terminals would be included in the budget, pass separately, or not at all. The House and Senate Republicans held caucus meetings last weekend to work through these issues, see whether the votes were there to pass these items, and otherwise how the budget could move forward. Ultimately the decision was made to allow the state budget to move forward without including casinos and video lottery terminals. Leadership wrapped up final touches on Wednesday and each chamber passed the budget on Thursday and Friday with the House having five Democrats join Republicans in passing and no Senate Democrats supporting its passage. The Governor has said he will not sign the budget but will let it become law without his signature.

This week had the feel of the last week of session, as the legislature moved bills that were in conference committees, as well as other legislation that was awaiting hearing in committee. This will not be the last week of session, as the legislature will be in session the weeks of October 9 and 23 to handle redistricting matters.

A detailed summary of provisions of interest included in the state budget bill will be included in next week's legislative report.

BILL STATUS

Senate Bill 527, ABC Omnibus Bill. The bill was not considered last week, and has not been enacted into law. The bill sponsor hopes to have the bill considered during either the week of October 9 or October 22.

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