



North Carolina Spirits Association

Legislative Report
June 7, 2024

NC House Republicans Propose HB 1074 to Clarify Voting Eligibility in the State Constitution

North Carolina House Speaker Tim Moore and other House Republicans are sponsoring House Bill 1074, a bill that would amend the state constitution's wording regarding voting eligibility. The constitution currently allows only U.S. citizens to vote, and the bill seeks to clarify this by changing the wording to specify that only U.S. citizens aged 18 and over with the listed qualifications can vote. This bill does not change who can vote but aims to reinforce the existing law.

Representative Neal Jackson, a co-sponsor, believes this will restore public trust in elections. However, Representative Allison Dahle questions the need for the bill, noting it does not change voter eligibility. Political science professor Nadine Gibson suggests the bill has anti-immigrant undertones. The bill comes amid rising immigration in North Carolina and Republican efforts to tighten election security. Critics like Mitchell Brown from the Southern Coalition for Social Justice argue the bill could create confusion and fear among naturalized citizens, potentially discouraging them from voting. If passed, the bill will be on the November 5 ballot and would need majority support to become a constitutional amendment.

Bill Seeks Gubernatorial Appointment and Senate Approval for DMV Commissioner

The Senate Transportation Committee proposed changes to address what it views as ineffective leadership at North Carolina's Division of Motor Vehicles (DMV). The original contents of House Bill 309 were replaced with a bill that would make the DMV Commissioner a gubernatorial appointee subject to Senate approval. Currently the Commissioner of DMV is hired by the Secretary of Transportation. Senator Michael Lazzara highlighted DMV as a major source of public complaints and criticized the lack of progress despite significant investments in modernization. He emphasized the need for proper oversight due to the DMV's size and importance. DMV Commissioner Wayne Goodwin has faced criticism, with Lazzara asserting that improvements require better leadership. However, Senator Mike Woodard opposed the proposal, arguing it undermines the separation of powers by expanding the confirmation process. The bill was discussed but not voted on, with a vote expected next week.

NC Insurance Commissioner Mike Causey Negotiates 8% Dwelling Insurance Rate Hike, Sparking Criticism Over Transparency

North Carolina Insurance Commissioner Mike Causey has negotiated an 8% statewide average increase in dwelling insurance premiums. This marks the fourth increase since 2018, significantly lower than the 50.6% hike proposed by the N.C. Rate Bureau. Dwelling policies cover landlords

and non-owner-occupied homes. Causey, a Republican running for re-election, has previously settled similar disputes and then cancelled hearings that were scheduled on the issue. Critics, including his opponent state Senator Natasha Marcus, argue this process lacks transparency. The Rate Bureau, citing rising costs and weather-related losses, expressed disappointment with the settlement, arguing it fails to address the need for larger increases. Further rate increase proposals are pending, with hearings scheduled for after the November general election. The insurance industry in North Carolina faces challenges due to economic conditions and the unique role of the Rate Bureau in setting rates statewide.

NC Senate Passes Bill Combining Mask Law Changes and Campaign Finance Revisions Amid Democratic Protest

A North Carolina General Assembly bill meant as a compromise on changing the state's mask law would also change campaign finance laws. The campaign finance part of House Bill 237 eliminates some rules about reporting campaign contributions put in place by the State Board of Elections. It also eliminates the requirement that a political group's assistant or deputy treasurer reside in North Carolina. Senator Berger said the changes were made because Republican lawmakers felt they "needed to be done as a way to level the playing field in terms of money" coming to candidates from four partisan political groups, the Democratic Governors Association, Democratic Attorneys General Association, Republican Governors Association and Republican Attorneys General Association. In May 2020, the State Board of Elections issued an advisory opinion to the Democratic Governors Association saying that certain federal political committees that get money from corporations cannot give money to state political-party committees, because that would go around the ban on corporations giving directly in North Carolina. Senator Berger told reporters after that the law still prohibits corporate contributions and the bill "just makes it an equal situation as far as those types of organizations bringing money into North Carolina." Shortly after the Senate adjourned Thursday, Senate Democrats held a news conference outside the Legislative Building in downtown Raleigh to explain why they left. Senate Democratic Whip Jay Chaudhuri said the bill "allows for undue influences of millionaires now to give money to candidates without any disclosure under state law." The House is expected to vote on the bill next week.

Gov. Roy Cooper Strengthens Economic Ties with Europe to Boost North Carolina Investment and Job Growth

North Carolina Governor Roy Cooper recently led an economic development trip to France, Switzerland, and Germany to promote business and international investment in the state. Accompanied by First Lady Kristin Cooper, Department of Commerce Chief of Staff Marqueta Welton, and other state officials, Governor Cooper met with business leaders from Schneider Electric in France, Siemens AG in Germany, and Syngenta, ABB, and Novartis in Switzerland. According to the Governor's office, Germany is the second-largest source of foreign direct investment in North Carolina, followed by Switzerland at fifth and France at twelfth. The Governor's office also noted that North Carolina's relationship with foreign companies has created

over 300,000 jobs in the state. Governor Cooper emphasized that recruiting foreign direct investment is a key strategy for creating well-paying jobs and boosting the state's economy. He highlighted previous successes in attracting international companies, especially from Japan, and expressed enthusiasm for strengthening ties with Western European companies. Last month, Cooper met with Japanese Prime Minister Fumio Kishida, reinforcing North Carolina's top international investment relationship. Cooper will continue to enhance these connections by hosting the annual Southeast U.S. - Japan Conference in Charlotte this October.

This Week at the General Assembly

Numerous bills advanced through the committee process this week and moved to the floor in both chambers, but budget negotiations did not see the same progress. While counteroffers have been exchanged, time is running out to finalize the budget by the end of June. We expect to have a clearer picture of the budget's status next week. The House held votes on Wednesday, and both chambers held votes on Thursday before legislators left town for the weekend.

The legislature adjourned on Thursday and will reconvene on Monday June 10.

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.

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