Insights: Perspectives

North Carolina General Assembly Update | October 1, 2021

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Kilpatrick Townsend's Government Relations Team represents a variety of clients across many industries and in all levels of government, with a focus on the North Carolina General Assembly. Below is an update on the activity at the NC General Assembly this week. Please feel free to contact a member of the team with any questions or visit our website to learn more about our Government Relations practice.

Budget Update

House Speaker Tim Moore (R-Cleveland) and Senate President Pro-Tempore Phil Berger (R-Rockingham) announced on Wednesday that the House and Senate have reached an agreement on a compromise budget. The proposed spending plan has been sent to the Governor for review and negotiations between the legislature and the Governor will begin in earnest. Details of the House and Senate proposal have not been released and we do not expect to know the final details of the budget until conversations with the Governor have concluded. The goal is to reach a deal on which all parties agree to avoid a veto and potential override vote.

ABC Committee Hearing

This week, the House Committee on Alcoholic Beverage Control met to discuss supply chain issues across the state. LB&B Associates, the company that holds the warehousing and distribution contract, was questioned by committee members about liquor supply shortages, delivery issues, liquor allocation, and why popular brands were not available at certain locations. This has been an on-going issue in North Carolina and has been exasperated by the COVID-19 pandemic. Representatives from LB&B Associates pointed to an increase in consumption, worker shortages, the implementation of a new software system, and insufficient storage as the primary reasons for the shortages across the state. LB&B was rewarded a new 10-year contract in July, but they have run the warehouse and distribution in North Carolina since 2003. Many questions still remained after the meeting and the Committee Chair indicated another hearing may be held on the issue.

Governor's Actions on Bills

So far this session, the legislature has sent 137 pieces of legislation to the Governor for consideration. Governor Cooper has signed 123 of the bills into law and vetoed 11. One bill has become law without his signature and two bills are currently awaiting action. Some of the major pieces of legislation the Governor has signed include:

- SL 2021-50 (H890) – ABC Omnibus Legislation
- SL 2021-117 (H366) – Regulatory Reform Act of 2021
- SL 2021-138 (S300) – Criminal Justice Reform

- SL 2021-161 (S257) – Medication Cost Transparency Act

The complete list of Session Laws can be found here. Some of the major pieces of legislation the Governor has vetoed include:

- H324 – Ensuring Dignity & Nondiscrimination/Schools
- H398 – Pistol Purchase Permit Repeal
- H805 – Prevent Rioting & Civil Disorder
- S360 – Prohibit Collusive Settlements by the Attorney

General

The complete veto list can be found here. The legislature has only attempted to override one of the Governor's vetoes. In March, the Senate attempted to override S37, a school reopening bill that would have required all schools to offer in-person instruction to grades K-12 for the remainder of the 2020-21 school year. The veto override failed 29-20. A three-fifths majority vote of the members present is required to override a veto.